

ILLINOIS REGISTER

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

NOTICE OF PROPOSED RULES

TITLE 68: PROFESSIONS AND OCCUPATIONS

CHAPTER VII: DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1290

RULES FOR ADMINISTRATION OF THE COMPASSIONATE USE OF MEDICAL
CANNABIS PILOT PROGRAM

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SUBPART I: GENERAL

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- Section
- 1290.500 Confidentiality
- 1290.510 Intergovernmental Cooperation
- 1290.520 Granting Variances

AUTHORITY: Implementing and authorized by the Compassionate Use of Medical Cannabis Pilot Program Act [410 ILCS 130/1].

SOURCE: Adopted at 38 Ill. Reg. _____, effective _____.

Section 1290.10 Definitions

Definitions for this Part can be located in Section 10 of the Compassionate Use of Medical Cannabis Pilot Program Act. The following definitions shall also apply to these rules:

“Act” means the Compassionate Use of Medical Cannabis Pilot Program Act [410 ILCS 130/1].

“ADA” is the Americans with Disabilities Act of 1990 [42 USC 12101].

“Address of record” means the address recorded by the Division in the applicant's or registrant's application file or registration file maintained by the Division.

“Administratively complete” means that a dispensary registration application meets all requirements of the Act and this Part.

“Applicant” means any person who is applying with the Illinois Department of Financial and Professional Regulation for Authorization to register a dispensary under the Act.

“Application date” is the date the application for Authorization or Registration was delivered to and received by the Division, and the applicant received a receipt noting the date.

“Authorization notice” is the notice or letter sent by the Division to the applicant that has been granted an Authorization. The Authorization notice will include a registry identification number to be used on all future communication with the Division.

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122 “Batch” means a specific harvest of cannabis or cannabis infused products that are
123 identifiable by a batch number, every portion or package of which is uniform
124 within recognized tolerances for the factors that were subject to a laboratory test
125 and that appear in the labeling.

126
127 “Batch number” means a unique numeric or alphanumeric identifier assigned to a
128 batch by a cultivation center when the batch is first planted.

129
130 "Cannabis" means *marihuana, hashish and other substances which are identified*
131 *as including any parts of the plant Cannabis Sativa* and including any and all
132 derivatives or subspecies, such as Indica, of all strains of cannabis, *whether*
133 *growing or not; the seeds thereof, the resin extracted from any part of such plant;*
134 *and any compound, manufacture, salt, derivative, mixture, or preparation of such*
135 *plant, its seeds, or resin, including tetrahydrocannabinol (THC) and all other*
136 *cannabinol derivatives, including its naturally occurring or synthetically*
137 *produced ingredients, whether produced directly or indirectly by extraction, or*
138 *independently by means of chemical synthesis or by a combination of extraction*
139 *and chemical synthesis; but shall not include the mature stalks of such plant, fiber*
140 *produced from such stalks, oil or cake made from the seeds of such plant, any*
141 *other compound, manufacture, salt, derivative, mixture, or preparation of such*
142 *mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the*
143 *sterilized seed of such plant which is incapable of germination.* (Section 3 of the
144 Cannabis Control Act)

145
146 “CPA” means certified public accountant.

147
148 “Damaged” shall have its common meaning and include medical cannabis that is
149 unusable, unused, expired, spoiled, contaminated, deteriorated, mislabeled,
150 undesired, excess, adulterated, misbranded, deteriorated or in containers or
151 packaging that was tampered with or opened.

152
153 "Department" means the Illinois Department of Financial and Professional
154 Regulation.

155
156 “Director” means the Director of the Division of Professional Regulation in the
157 Illinois Department of Financial and Professional Regulation.

158
159 “Dispensing organization” or “dispensary organization” means a medical
160 cannabis dispensing organization as defined in the Act.

161

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162 “Dispensary premises” means the physical premises where medical cannabis is
163 dispensed by a dispensary organization.

164
165 “Dispensing organization agent” or “dispensary agent” means a medical cannabis
166 dispensing organization agent as defined in the Act.

167
168 “Dispensing organization agent in charge” or “dispensary agent in charge” means
169 the person who has control and management over the dispensary.

170
171 “Dispensing organization backer” means any person or entity with a direct or
172 indirect financial interest in the dispensing organization, but does not include a
173 person or entity who holds an interest that does not exceed one per cent of the
174 total ownership or interest rights in the dispensing organization and the person
175 does not participate directly or indirectly in the control, management or operation
176 of the dispensing organization.

177
178 “Dispensing organization District” or “District” means one of the 43
179 geographically dispersed areas identified in the Act and this Part where a
180 dispensing organization may be located.

181
182 “Dispensary organization registration authorization” or “Authorization” is the
183 permission given by the Division to an applicant for a dispensing organization
184 allowing it to file documents to obtain a dispensary Registration.

185
186 “Dispensing organization registration” or “Registration” authorizes the applicant
187 to open and operate a dispensary organization within the District designated by
188 the Division.

189
190 “Division” means the Department of Financial and Professional Regulation-
191 Division of Professional Regulation with the authority delegated by the Secretary.

192
193 “DPH” is the Illinois Department of Public Health.

194
195 “Financial interest” means any actual or future right to ownership, investment or
196 compensation arrangement with another person, either directly or indirectly,
197 through business, investment or spouse, parent or child in the dispensing
198 organization. Financial interest does not include ownership of investment
199 securities in a publicly-held corporation that is traded on a national exchange or
200 over-the-counter market, provided the investment securities held by the person,

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201 the person's spouse, parent or child, in the aggregate, do not exceed one per cent
202 ownership in the dispensing organization.

203
204 "Fingerprint-based criminal history records check" means a fingerprint-based
205 criminal history records check conducted by the Department of Illinois State
206 Police in accordance with the Uniform Conviction Information Act (UCIA).

207
208 "Good standing" means the dispensing organization's registration is not under
209 investigation, is not on probation and has not been subject to any disciplinary or
210 other restrictions by the Division as defined in the Act or this Part.

211
212 "ISP" means Illinois Department of State Police.

213
214 "Limited access area" means a building, room, or other area under the control of
215 the dispensing organization and upon the registered premises with access limited
216 to qualifying patients, designated caregivers, dispensary owners and other
217 dispensary agents or service professionals.

218
219 "Livescan" means an inkless electronic system designed to capture an individual's
220 fingerprint images and demographic data (name, sex, race, date of birth, etc.) in a
221 digitized format that can be transmitted to the state central repository, Illinois
222 State Police (ISP), for processing. The data is forwarded to the ISP, Bureau of
223 Identification (BOI) over a Virtual Private Network (VPN) and then processed by
224 the ISP's Automated Fingerprint Identification System (AFIS). Once received at
225 the BOI for processing, the inquiry may then be forwarded to the Federal Bureau
226 of Investigation (FBI) electronically for processing.

227
228 "Livescan vendor" means an entity licensed by the Department of Financial and
229 Professional Regulation to provide commercial fingerprinting services under the
230 Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and
231 Locksmith Act of 2004.

232
233 "Medical cannabis" means cannabis and its constituent cannabinoids, such as
234 tetrahydrocannabinol (THC) and cannabidiol (CBD), used as a remedy or therapy
235 to treat disease or alleviate symptoms. Medical cannabis can be administered by a
236 variety of methods, including, but not limited to: vaporizing or smoking;
237 administering tinctures or tonics; applying topicals such as ointments, balms; or
238 consuming infused food products.

239

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240 “Medical cannabis container” means a sealed, traceable, food compliant, tamper
241 resistant, tamper evident container or package used for the purpose of
242 containment of medical cannabis from a cultivation center to a dispensing
243 organization. (Section 10 of the Act)

244
245 “Medical cannabis infused products” means food, oils, ointments, sodas or teas,
246 capsules or other products containing cannabis that are not smoked as defined in
247 the Act.

248
249 "Monitoring" means continuous and uninterrupted video surveillance of
250 dispensary activities and oversight for potential suspicious actions. Monitoring
251 through video surveillance includes the purpose of summoning a law enforcement
252 officer to the premises during alarm conditions. The Division and law
253 enforcement agencies shall have the ability to access a dispensary organization’s
254 monitoring system in real-time via a secure web-based portal.

255
256 “Notify” means to send via regular United States mail and United States certified
257 mail.

258
259 “Ownership structure” means a showing of any person with an ownership or
260 financial interest in the dispensary organization.

261
262 “Person” includes but is not limited to a natural person, sole proprietorship,
263 partnership, joint venture, limited liability company, corporation, association,
264 agency, business, not-for-profit or organization.

265
266 “Principal officer” includes a prospective dispensing organization or dispensing
267 organization board member, owner, president, vice president, secretary, treasurer,
268 partner, officer, member, shareholder or person involved in a profit sharing
269 arrangement and is further defined in this Part.

270
271 “Registered” means licensed, permitted, or otherwise certified by the Department
272 of Financial and Professional Regulation as defined in the Act.

273
274 “Restricted Access Area” means a building, room, or other contiguous area under
275 control of the dispensing organization and upon the registered premises with
276 access limited to dispensary agents only, where cannabis is stored, weighed,
277 packaged, sold, or processed for sale.

278

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279 “Registration Packet” is the information and documents filed by the authorized
280 dispensary organization with the Division to demonstrate all requirements in the
281 Act and this Part are met prior to the Division issuing a dispensing organization
282 registration.

283
284 “Secretary” means the Secretary of the Department of Financial and Professional
285 Regulation.

286
287 **Section 1290.20 Dispensing Organization Districts**

288
289 a) To implement the Act’s requirement that up to 60 dispensing organizations be
290 geographically dispersed throughout the State the following dispensing
291 organization Districts are created with the accompanying allocation of
292 registrations:

293
294 1) That part of the State, outside of the Chicago metropolitan area, shall be
295 allocated 21 registrations as follows:

296
297 A) Illinois State Police Districts 1, 6, 7, 10, 12, 13, 14, 17, 18, 19, 20,
298 21, and 22 shall each be a dispensing organization District and
299 shall be allocated one registration each,

300
301 B) Illinois State Police Districts 8, 9, 11, and 16 shall each be a
302 dispensing organization District and shall be allocated two
303 registrations each.

304
305 2) That part of the State within the Chicago metropolitan area but outside of
306 Cook County shall be allocated 15 registrations as follows:

307
308 A) DeKalb County shall be a dispensing organization District and
309 shall be allocated one registration,

310
311 B) DuPage County shall be a dispensing organization District and
312 shall be allocated three registrations,

313
314 C) Grundy and Kendall Counties combined shall be a dispensing
315 organization District and shall be allocated one registration,

316
317 D) Kane County shall be a dispensing organization District and shall
318 be allocated three registrations,

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- E) Lake County shall be a dispensing organization District and shall be allocated three registrations,
 - F) McHenry County shall be a dispensing organization District and shall be allocated one registration,
 - G) Will County shall be a dispensing organization District and shall be allocated three registrations.
- 3) That part of Cook County outside of the City of Chicago shall be allocated 11 registrations as follows:
- A) Barrington, Hanover, and Palatine Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - B) Elk Grove and Schaumburg Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - C) Maine and Wheeling Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - D) New Trier and Northfield Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - E) Evanston and Niles Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - F) Leyden, Norwood Park, and Proviso Townships combined shall be a dispensing organization District and shall be allocated one registration,
 - G) Berwyn, Cicero, Oak Park, River Forest, and Riverside Townships combined shall be a dispensing organization District and shall be allocated one registration,

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- 358 H) Lemont, Lyons, and Palos Townships combined shall be a
359 dispensing organization District and shall be allocated one
360 registration,
361
- 362 I) Calumet, Stickney and Worth Townships combined shall be a
363 dispensing organization District and shall be allocated one
364 registration,
365
- 366 J) Bremen, Orland, and Rich Townships combined shall be a
367 dispensing organization District and shall be allocated one
368 registration,
369
- 370 K) Bloom and Thornton Townships combined shall be a dispensing
371 organization District and shall be allocated one registration.
372
- 373 4) The City of Chicago shall be allocated 13 registrations as follows:
374
- 375 A) Jefferson Township shall be a dispensing organization District and
376 shall have two registrations,
377
- 378 B) Hyde Park Township shall be a dispensing organization District
379 and shall be allocated two registrations,
380
- 381 C) Lake Township shall be a dispensing organization District and
382 shall be allocated two registrations,
383
- 384 D) Lakeview Township shall be a dispensing organization District and
385 shall be allocated two registrations,
386
- 387 E) North Township shall be a dispensing organization District and
388 shall be allocated one registration,
389
- 390 F) Rogers Park Township shall be a dispensing organization District
391 and shall be allocated one registration,
392
- 393 G) South Township shall be a dispensing organization District and
394 shall be allocated one registration,
395
- 396 H) West Township shall be a dispensing organization District and
397 shall be allocated two registrations.

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SUBPART C: APPLICATION REQUIREMENTS FOR A MEDICAL CANNABIS
DISPENSARY REGISTRATION AUTHORIZATION

Section 1290.30 Principal Officers

- a) For purposes of this Part, in addition to the individual or individuals identified in the dispensary organization's by-laws as principal officers of the dispensary, the following individuals are considered principal officers:
- 1) If a corporation is applying for a dispensary organization registration, the officers of the corporation,
 - 2) If a partnership is applying for a dispensary organization registration, the partners,
 - 3) If a limited liability company is applying for a dispensary organization registration, the members of the limited liability company,
 - 4) If an association or cooperative is applying for a dispensary organization registration, the members of the association or cooperative,
 - 5) If a joint venture is applying for a dispensary organization registration, the individuals who signed the joint venture agreement, and
 - 6) If a business organization type other than the types of business organizations in subsections (A)(1) through (5), the members of the business organization.
- b) A proposed dispensing organization may not be established as a trust. A trust may not have an ownership interest in a registered dispensary organization.

Section 1290.40 Dispensary Organization Authorization Process and Requirements

- a) The Division shall review applications and issue Authorizations according to the requirements of the Act and this Part.
- 1) An applicant shall first file an application with the Division for Authorization to register a dispensary organization in accordance with the requirements of this Part.

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- 2) All applications for Authorizations shall be made on forms furnished by the Division. The application shall be signed by all principal officers certifying under penalties of perjury that all information contained in the application is true and accurate.
 - 3) An applicant may not submit more than one application for a dispensary Authorization in any one District.
 - 4) An applicant may submit separate applications for an Authorization in up to five Districts.
 - 5) Each application requires its own application fee.
 - 6) If an applicant submits an application in more than one District, the applicant shall identify the Districts where it has submitted applications or Districts where it maintains a current registration.
 - 7) The Division shall accept applications for 10 working days following the date indicated on the Division’s website.
 - 8) Applications shall be considered received on the date delivered in-person during regular business hours and received by a Division employee at the Division’s Chicago office.
 - 9) The Division shall review each application to determine whether it meets the application criteria.
 - 10) The Division shall determine the qualified applicants in each District based on the criteria set forth in this Part.
 - 11) If the Division determines that a District has the same number of qualified applicants as registrations, then the Division will grant an Authorization to the qualified applicants in that District.
 - 12) Upon receipt of the Authorization notice, the applicant may submit for Registration approval as provided for in this Part.
 - 13) If the Division determines that the number of qualified applicants exceeds the number of Authorizations available in a District, then the Division

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478 shall select the most qualified applicant in that District in accordance with
479 the selection process established in this Part.

480
481 14) The Division will issue an Authorization notice to the qualified applicants
482 chosen through the selection process.

483
484 15) If the Division determines that a dispensing organization District has no
485 qualified applicants or fewer qualified applicants than authorized
486 registrations, the Division shall post a notification on the Division's
487 website that the Division will invite submission of additional applications.
488 The Division shall accept applications for 10 working days following the
489 date indicated on the Division's website. Applications shall be processed
490 as provided in this Part.

491
492 16) No individual or entity shall hold more than 5 dispensary organization
493 registrations. If, as a result of the process provided for in this Part, a
494 qualified applicant has been granted more than five Authorizations or
495 Registrations by the Division, the applicant shall promptly notify the
496 Division. No person shall be a principal officer of more than five
497 registered dispensing organizations.

498
499 17) If a dispensary organization's Registration is deemed void or invalid for
500 any reason, including but not limited to revocation, suspension or
501 nonrenewal, and therefore a District is without a registered dispensary
502 organization, the Division shall post a notice on its website and list the
503 date or dates that the Division will accept dispensary applications for the
504 District. Applications shall be processed as provided in this Part and shall
505 be subject to the limitations in this Part.

506
507 18) The dispensary organization must receive a Registration from the Division
508 prior to opening and dispensing medical cannabis.

509
510 **Section 1290.50 Dispensary Organization - Application for Authorization**

511
512 a) Authorization Applicants must file an application on Division-provided forms as
513 described herein and submit the following information to the Division;

514
515 b) The Authorization Application shall include the following information:

516
517 1) The legal name of the proposed dispensing organization.

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- 2) The name, address, telephone number, date of birth and e-mail address of the proposed dispensary organization’s principal officers. A post office box may not be used.
 - 3) The name of the proposed dispensary.
 - 4) If the entity applying is a sole proprietorship, a copy of any creation documents or business license.
 - 5) If the entity applying is a business organization other than a sole proprietorship, the following information for the entity applying:
 - A) The type of business organization,
 - B) If a partnership, a copy of any partnership or joint venture documents, and if there is no written agreement, a statement stating there is no agreement signed by all principal officers,
 - C) If a limited liability company, a copy of the Articles of Organization, operating agreement, and certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website within 7 days prior to the date the application is filed with the Division. Limited liability company applicants shall include a listing of all affiliated persons or business entities holding an ownership interest in the company,
 - D) If a corporation, the name of the registered agent, a copy of the Articles of Incorporation, Corporate Resolutions if any, and, a certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website within 7 days prior to the date the application is filed with the Division. If using an assumed name (d/b/a), a copy of the assumed name registration issued by the Secretary of State. Corporate applicants shall also include a listing of the registered agent, and a listing of all persons or business entities holding an ownership interest in the corporation,
 - E) If an unincorporated association, organization or not-for-profit organization, documents or agreements relevant to its creation,

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- 558 ownership, profit sharing, and liability documents or if there are no
559 documents, a statement stating there are no such documents signed
560 by all the principal officers.
561
- 562 6) From each principal officer, a statement indicating whether that person:
563
- 564 A) Has held an ownership interest in a dispensing organization or its
565 equivalent in another state or territory of the United States that had
566 the dispensary registration or license suspended, revoked, placed
567 on probationary status, or subject to any other disciplinary action,
568
- 569 B) Is a physician who certifies or intends to certify qualified patients
570 for the use of medical cannabis or is in a partnership or other fee or
571 profit-sharing relationship with a physician who certifies qualified
572 patients for the use of medical cannabis,
573
- 574 C) Is a registered qualified patient or a designated caregiver,
575
- 576 D) Has an academic degree, certification or relevant experience with a
577 medical cannabis business or in related industries.
578
- 579 7) A description of the plan to educate patients, on the benefits or drawbacks
580 of cannabis products specific to a patient's condition, and a plan to keep
581 product costs reasonable for patients.
582
- 583 8) A description of the training and education that will be provided to
584 dispensary agents.
585
- 586 9) A copy of the proposed operating by-laws.
587
- 588 10) A copy of the proposed business plan, that complies with the requirements
589 in this Part including at a minimum, the following:
590
- 591 A) A detailed description of products intended to be offered by the
592 dispensary organization,
593
- 594 B) A detailed description of services to be offered by the dispensary
595 organization including any patient education or instruction on the
596 benefits of different cannabis strains or products, and,
597

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- 598 C) A detailed description of the process that a dispensary organization
599 will take to ensure that access to the premises will be limited to,
600 qualifying patients, designated caregivers, registered agents and
601 security personnel.
602
- 603 11) A copy of the proposed security plan that complies with the requirements
604 in this Part including:
605
- 606 A) A detailed description of the process by which cannabis will be
607 received from a cultivation center, including protocols that will be
608 used to avoid diversion, theft or loss at the dispensary acceptance
609 point, and,
610
- 611 B) A detailed description of the process or controls that will be
612 implemented to prevent the diversion, theft or loss of cannabis,
613 security of the premises, agents, patients and currency.
614
- 615 12) A copy of the proposed inventory control plan that complies with the
616 requirements in this Part.
617
- 618 13) A copy of the proposed qualifying patient recordkeeping plan and
619 verification system that complies with the requirements in this Part.
620
- 621 14) A copy of the current relevant local zoning ordinance and verification
622 from the local zoning office that the proposed dispensary location is in
623 compliance with the local zoning rules or restrictions.
624
- 625 15) For the building or land to be used as the proposed dispensary:
626
- 627 A) If the property is not owned by the applicant, a written statement
628 from the property owner and landlord, if any, certifying consent
629 that the applicant may operate a dispensary on the premises, and,
630
- 631 B) If the property is owned by the applicant, confirmation of
632 ownership.
633
- 634 16) A copy of any proposed marketing or advertising plan including any
635 educational materials such as brochures, posters or promotional materials.
636
- 637 17) A map of the area surrounding the proposed dispensary, extending a
638 minimum of one thousand feet from the property line in all directions. The

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639 map must clearly demonstrate that the proposed dispensary is not located
640 within 1,000 feet of the property line of a pre-existing public or private
641 preschool or elementary or secondary school or day care center, day care
642 home, group day care home, part day child care facility. The map must
643 clearly demonstrate that the dispensary is not in an area zoned for
644 residential use in accordance with the Act.
645

646 18) A plot plan of the dispensary drawn to scale. If the proposed dispensary
647 building is in existence at the time of the application, the applicant shall
648 submit general plans and specifications for the building interior layout. If
649 the building is not in existence at the time of application, the applicant
650 shall submit general plans for the exterior and interior layout for the
651 building to be constructed.
652

653 19) A statement that dispensary organization agrees to respond to
654 supplemental requests for information from the Division.
655

656 c) Financial Disclosure: The applicant shall provide a financial statement disclosing
657 relevant business transactions and financial information connected with the
658 application. The applicant has a continuing duty to promptly disclose material
659 changes in the financial information provided to the Division. If an applicant is
660 issued a Registration, this duty of ongoing disclosure shall continue throughout
661 the registered period. Financial disclosures include:
662

663 1) The ownership structure of the dispensing organization including
664 percentage ownership of each principal officer,
665

666 2) A current organization chart that includes position descriptions and the
667 names and resumes of each person holding each position. The resumes
668 shall establish each agent's specific skills, education, experience or
669 significant accomplishments that are relevant to owning or operating a
670 dispensary organization,
671

672 3) Depending on business type as applicable: agreements between any two or
673 more principal officers of the proposed dispensary organization that relate
674 to the assets, property, profit or future profit of the organization or other
675 comparable documents that establish the legal structure of the applicant or
676 relate to the business entity, management or control of the applicant,
677

678 4) A copy of compensation agreements with dispensing organization backers
679 or persons having an indirect financial interest in the dispensing

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- 680 organization,
681
682 5) A copy of a compensation agreement that provides, or will provide,
683 payment or any financial benefit to the principal officers whether in the
684 form of salary, wages, commissions, fees, stock options, interest, bonuses
685 or otherwise,
686
687 6) The nature, type, terms, covenants and priorities of all outstanding bonds,
688 loans, mortgages, trust deeds, lines of credit, notes, or other forms of
689 indebtedness issued or executed, or to be issued or executed, in connection
690 with the opening or operating of the proposed dispensary,
691
692 7) Audited financial statements for the previous fiscal year, which shall
693 include, but not be limited to, an income statement, balance sheet,
694 statement of retained earnings or owners' equity, statement of cash flows,
695 and all notes to such statements and related financial schedules, prepared
696 in accordance with generally accepted accounting principles, along with
697 the accompanying independent auditor's report. The audit must be
698 compiled by and certified by a licensed auditor or CPA. If the applicant
699 was formed within the year preceding this application, provide certified
700 financial statements for the period of time the applicant has been in
701 existence.
702
703 8) Complete copies of all federal, state and foreign (with translation) tax
704 returns filed by the owners or principal officers of the proposed dispensing
705 organization for the last 3 years, or for such period the owners or principal
706 officers have filed such returns if less than three years.
707
708 9) Complete copies of the most recently filed federal, state and/or foreign
709 (with translation) tax returns filed by each: (i) dispensing organization
710 backer; and (ii) each backer member identified in the application.
711
712 10) Disclosure of all funding sources used to acquire or develop the business
713 for which the Registration is sought, including independent documentation
714 concerning the source of those funds and copies of closing documents in
715 connection with the purchase of a registered business.
716
717 11) Projected expenditures expected before the dispensary is operational.
718
719 12) Projected annual revenue.
720

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- 721 13) Projected annual budget.
722
- 723 14) Disclosure of whether any principal officer has ever:
724
- 725 A) Filed for bankruptcy,
726
- 727 B) Defaulted on a student loan,
728
- 729 C) Defaulted on alimony or child support payment, or,
730
- 731 D) Been convicted of an excluded offense as defined in the Act.
732
- 733 d) Documentation acceptable to the Division that the person applying for
734 Registration has at least \$400,000 in liquid assets under their control for each
735 application for authorization submitted. Documentation acceptable to the Division
736 includes:
737
- 738 1) A signed statement from an Illinois Licensed Certified Public Accountant
739 or Financial Institution attesting to proof of \$400,000.00 in liquid assets
740 under the control of a principal officer(s) and/or entity applying, and,
741
- 742 2) Two copies of the signed statement are required, one must be dated at least
743 30 calendar days before the date of application, and one must be dated
744 within five days of the date the application is submitted to the Division.
745
- 746 e) A statement that, if the applicant is issued Authorization, the applicant will not
747 operate until the applicant submits a dispensary registration application that is
748 approved by the Division, the dispensary is inspected, and the applicant obtains a
749 dispensing organization registration from the Division.
750
- 751 f) An attestation under penalty of perjury signed by each principal officer that the
752 information provided to the Division is true and correct.
753
- 754 g) Each principal officer identified in subsection 1290.50(b)(2) shall submit under
755 penalty of perjury a signed and dated:
756
- 757 1) Attestation that the person has not been convicted of an excluded offense
758 as defined in the Act, and,
759
- 760 2) Each principal officer shall submit to a fingerprint-based criminal history
761 records check as set forth in this Part.

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- 762
763 h) All proposed principal officers must be natural persons. The Division will
764 communicate only with the proposed dispensary organization's principal officers.
765 The Division will not coordinate with a consultant working on behalf of the
766 proposed dispensary organization.
767
768 i) The name of the proposed agent-in-charge.
769
770 j) The non-refundable application fee.
771

772 **Section 1290.60 Selection Process**

- 773
774 a) The Division will conduct a comprehensive, fair, and impartial evaluation of the
775 applications timely received. It will award dispensary organization registrations
776 on a competitive basis.
777
778 b) Applications will be assessed to determine whether they meet the mandatory
779 minimum qualification criteria. All application items are mandatory unless
780 otherwise indicated. An applicant that fails to submit the information required by
781 this Part may be disqualified prior to the review and scoring process.
782
783 c) The evaluation process will include a criminal records check.
784
785 d) Applications meeting the minimum criteria will be scored based on the selection
786 criteria detailed in this Part.
787
788 e) The Division may receive more than one administratively complete and timely
789 filed application for a dispensary Authorization in a dispensing organization
790 District. If the Division must choose an applicant, the Division shall choose the
791 applicant through a deliberate selection process and overseen by a panel selected
792 by the Director of the Division.
793
794 f) During the application intake process for an Authorization, the Division will
795 accept applications, and assign each application a number sequentially. During
796 the selection process, the application will be reviewed and referred to by its
797 assigned application number.
798
799 g) The Division will rank each application based on its total score.
800

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- 801 h) The Division may issue up to sixty dispensing organization Authorizations. If the
802 Division concludes that during the first request for applications, no qualified
803 applications are timely received for a District or Districts, the Division reserves
804 the right to award fewer than sixty Authorizations. If a second round of
805 applications is requested, then the second round will be conducted in the same
806 manner as the first.
807
808 i) An Authorization notice will be sent to a successful applicant. The Authorization
809 notice will include a registry identification number to be used on all future
810 communication with the Division.
811
812 j) A letter of denial to an applicant shall serve as a final administrative decision by
813 the Division and shall be subject to the Administrative Review Law.
814

815 **Section 1290.70 Selection Criteria**

- 816
817 a) Each application shall address all requirements set forth in this Part. The failure
818 by an applicant to address all of the requirements may result in the application
819 being denied.
820
821 b) After receipt of the application, the Division may issue a deficiency notice to the
822 applicant citing inadequacies that may be cured by the applicant in the manner
823 and timeframe set forth in the notification.
824
825 c) The Division will score based on the quality of the application as compared to the
826 requirements set forth in this Part:
827
828 1) Suitability of the proposed dispensary;
829
830 A) The applicant demonstrates that the proposed dispensary location
831 is suitable for public access, the safe dispensing of medical
832 cannabis, sufficient in size, power allocation, interior and exterior
833 layout, lighting, parking, handicapped accessible parking spaces,
834 ADA accessible entry and exits, any additional features beyond
835 what is required by the ADA, product handling, and storage; and,
836
837 B) The applicant provides policies and practices for dispensary
838 agents, to establish the day-to-day dispensary operation.
839
840 2) Security Plan;

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- 841
- 842 A) The applicant’s security plan demonstrates the capability for
- 843 adequate security, theft prevention and diversion of medical
- 844 cannabis and provides details on interfacing with ISP and the
- 845 Division. It shall specifically evidence compliance with all security
- 846 plan requirements in this Part.
- 847
- 848 B) The applicant’s security plan demonstrates safety procedures for
- 849 dispensary employees, patients and caregivers; how currency will
- 850 be handled and kept safe; and includes a community deleterious
- 851 prevention plan.
- 852
- 853 C) The applicant details its plan for record keeping, tracking and
- 854 monitoring inventory, quality control and other policies and
- 855 procedures that will discourage unlawful activity. This plan shall
- 856 include the applicant’s strategy to interface with the Division and
- 857 ISP on its plans for the destruction and disposal of cannabis.
- 858
- 859 D) The applicant’s security plan shall detail the dispensary layout,
- 860 limited and restricted access areas, the enclosed, locked area that
- 861 will be used to secure or store medical cannabis, including when
- 862 the location is closed for business, all relevant security measures.
- 863
- 864 E) The applicant shall describe a detailed plan describing protocols
- 865 and methods for the safe and secure receipt of deliveries of
- 866 medical cannabis from cultivation centers.
- 867
- 868 3) Applicant’s business plan and operating plan:
- 869
- 870 A) The applicant shall provide a business plan that describes at a
- 871 minimum, how the dispensary organization will operate on a long-
- 872 term basis. This shall include the applicant providing a detailed
- 873 description of the patient verification system, including purchases
- 874 and denials of sale, confidentiality, products and services to be
- 875 offered.
- 876
- 877 B) Amount and source of the equity and debt commitment for the
- 878 proposed dispensary that demonstrates the immediate and long-
- 879 term financial feasibility of the proposed financing plan, the

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- 880 relative availability of funds for capital and operating needs, and
881 the financial capability to undertake the project.
882
- 883 C) The business plan shall demonstrate a start-up timetable which
884 provides an estimated time from registration of the dispensary to
885 full operation, and the assumptions used for the basis of those
886 estimates.
887
- 888 4) Knowledge and Experience:
889
- 890 A) The applicant’s principal officers must demonstrate experience in
891 business management and/or medical industry experience or
892 experience with the medical cannabis industry.
893
- 894 B) The applicant must demonstrate knowledge of the various product
895 strains or varieties to be sold, and describes the number and types
896 of products to be sold. This section will include whether the
897 dispensary plans to sell medical cannabis paraphernalia and
898 edibles.
899
- 900 d) The Division will award additional points for preferred but not required initiatives
901 based on the applicant’s ability to meet requirements in the following categories:
902
- 903 1) Labor and Employment Practices: The applicant may describe plans to
904 provide a safe, healthy and economically beneficial working environment
905 for its agents, including, but not limited to, its plans regarding workplace
906 safety and environmental standards, codes of conduct, healthcare benefits,
907 educational benefits, retirement benefits, and wage standards.
908
- 909 2) Research Plan: The applicant may provide the Division with a detailed
910 proposal to conduct, or facilitate, a scientific study or studies related to the
911 medicinal use of cannabis. To the extent it has been determined, the
912 applicant may include in its proposal, a detailed description of:
913
- 914 A) The methodology of the study,
915
- 916 B) The issue(s) to be studied,
917
- 918 C) The method(s) that will be used to identify and select study
919 participants,

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- 920
921 D) The identity of all persons or organizations that will be worked
922 with in connection with the study, including the role of each,
923
924 E) The duration of the study and anticipated peer review, and,
925
926 F) The intended use of the study results.
927
928 3) Community Benefits Plan: The applicant may provide a detailed
929 description of plans the applicant has to support the community at the
930 local level if awarded a dispensary Registration, including any reduction
931 in product costs for indigent patients that qualify.
932
933 4) Substance Abuse Prevention Plan: The applicant may provide a detailed
934 description of any plans it will take to combat substance abuse in its
935 District, including the extent to which the applicant will partner or work
936 with existing substance abuse programs.
937
938 5) Local Community/Neighborhood Report: The applicant may provide
939 comments, concerns or support received regarding the potential impact of
940 the proposed location on the local community and neighborhood. This
941 shall include the local community's concerns or support on the proposed
942 location, proximity to substance abuse treatment centers, day care centers,
943 schools and halfway houses.
944
945 6) Environmental Plan: The applicant may demonstrate an environmental
946 plan of action to minimize the carbon footprint, environmental impact, and
947 resource needs for the dispensary.
948
949 7) Minority and/or Woman Ownership and Operation: The applicant may
950 describe the percentage of minority or woman ownership. In addition, the
951 applicant may describe how minorities and/or women will control the
952 management and daily operations.
953
954 8) A verification that the proposed managing agent in charge is licensed in a
955 medical profession regulated by the Division.

956 9) Illinois Based Applicants: A verification that the applicant's principal
957 place of business is headquartered in Illinois. The names, addresses and
958 verification of the applicant's proposed agents that reside in Illinois. The

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959 applicant may also provide a plan for generating Illinois-based jobs and
960 economic development.

961
962 e) Should the applicant be awarded an Authorization, the information and plans
963 provided in the application become a condition of the Authorization. Failure to
964 comply with the conditions or requirements may subject the dispensing
965 organization to discipline, up to and including suspension or revocation of its
966 Authorization by the Division.

967
968 f) A registration shall be issued to the applicant receiving at least the minimum
969 required score in each category and the highest total score overall.

970
971 g) In the event that 2 or more applicants for a dispensary registration receive the
972 same total score, the Division shall select the applicant that received the highest
973 combined score in the security and recordkeeping categories. In the event that the
974 same 2 applicants received the same score in the security and recordkeeping
975 categories, the tied applicants will be interviewed by an unbiased panel selected
976 by the Division.

977
978 **Section 1290.80 Fees**

979
980 The following non-refundable fees shall be paid to the Division:

- 981
982 a) Application Fees;
- 983
984 1) The Authorization application fee is \$5,000. One authorization
985 application fee is required for each application for each District.
 - 986
987 2) The Registration fee is \$30,000. One registration application fee is
988 required for each registration.
 - 989
990 3) The application fee for a dispensing organization agent is \$100. This fee
991 includes the agent identification card.
 - 992
993 4) The fee for a request to change the Division approved location of a
994 dispensing organization within the assigned dispensing organization
995 District is \$5,000.

996
997 b) Renewal Fees;

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- 1) The annual fee for the renewal of a dispensing organization registration certificate is \$25,000.
 - 2) The annual fee for the renewal of a dispensing agent identification card is \$50.
 - c) General Fees:
 - 1) The fee for the issuance of a replacement dispensary organization registration is \$50.
 - 2) The fee for the issuance of a replacement dispensing organization agent identification card is \$50.
 - 3) The fee for a certification of a registrant's record for any purpose is \$50.
 - d) All monies collected under this Act shall be deposited in the Compassionate Use of Medical Cannabis Fund in the State treasury.

1018 SUBPART D: DISPENSARY REGISTRATION

1019
1020 **Section 1290.100 Dispensary Organization - Registration Process**

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1038
- a) No person may own, operate or act as a dispensary organization or represent that the person or organization is a registered dispensary organization unless first obtaining a Registration from the Division pursuant to this Part.
 - b) The Division shall assign dispensary organization registrations in accordance with this Section and this Part.
 - c) The process for issuing a dispensary registration shall include the following:
 - 1) If the Division issues an Authorization to an applicant, the Division will notify the applicant that it may file for a Registration with the Division.
 - 2) Only the applicants granted an Authorization are permitted to register a dispensing organization.
 - 3) To register with the Division, a dispensing organization shall file all supporting information and documents in a Registration Packet. The

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- 1039 Registration Packet shall include all required registration materials in
1040 accordance with this Section and this Part. All registration materials
1041 required by this Part shall be submitted together and at the same time.
1042
- 1043 4) A dispensary organization must file the Registration Packet with the
1044 Division within 120 days of the date of the Authorization notification.
1045
- 1046 5) The Division may identify deficient or missing information from the
1047 Registration Packet. If the dispensary submits an incomplete Registration
1048 Packet, the Division may request additional information from the
1049 dispensary organization, or the Division may deny the Registration.
1050
- 1051 6) If a Registration Packet is denied by the Division, the dispensing
1052 organization may re-file it within 10 business days, unless otherwise
1053 agreed to by the Division, including the information or documents which
1054 caused its denial. If the Registration Packet is denied by the Division
1055 more than three times, the Division may withdraw its Authorization from
1056 the dispensary organization. A letter withdrawing an Authorization shall
1057 serve as a final administrative decision by the Division and shall be
1058 subject to the Administrative Review Law.
1059
- 1060 d) Once all required information and documents have been submitted, the Division
1061 will review the Registration Packet. The Division may request revisions and
1062 retains final approval over dispensary features. Once the Registration Packet is
1063 complete and meets the Division's approval, the Division shall conditionally
1064 approve the Registration. Conditional approval is contingent on the final build-
1065 out and Division inspection.
1066
- 1067 e) Upon final completion of the dispensary facility, the dispensing organization shall
1068 request an inspection.
1069
- 1070 f) Prior to issuing a final Registration and approval to operate, the Division will
1071 inspect the dispensary facility to confirm compliance with the Act and this Part.
1072
- 1073 g) A Registration will be issued only after the completion of a successful inspection.
1074
- 1075 h) Once the Division has approved the dispensary facility and issued a Registration,
1076 the dispensary organization shall notify the Division of the proposed dispensary
1077 opening date. The dispensary organization shall provide at least 3 days notice to
1078 the Division prior to opening.

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- 1079
1080 i) A dispensing organization in good standing with the Division is not prohibited
1081 from applying for a cultivation center registration in conformance with the
1082 Department of Agriculture's rules.
1083

1084 **Section 1290.110 Dispensary Organization - Registration Requirements**
1085

- 1086 a) A person granted an Authorization, shall submit a Registration Packet to the
1087 Division that includes all the requirements in this Section.
1088
1089 b) The Registration Packet will include the general information contained in the
1090 initial application, and shall provide additional detail on start-up and operation.
1091
1092 1) A dispensary organization shall submit a Registration Packet to the
1093 Division including the following information:
1094
1095 A) The legal name of the dispensing organization,
1096
1097 B) The name of the dispensary facility,
1098
1099 C) The registry identification number for the dispensing organization,
1100
1101 D) The proposed physical address of the dispensary facility,
1102
1103 E) The address, telephone number, and e-mail address of the
1104 applicant's principal office if different from the location where the
1105 medical cannabis will be dispensed. A post office box is not
1106 permitted,
1107
1108 F) The name, address, date of birth and social security number for
1109 each proposed dispensing organization agent,
1110
1111 G) The dispensing organization's proposed hours of operation,
1112
1113 H) Any proposed text or graphic materials to be shown on the exterior
1114 of the proposed dispensary facility,
1115
1116 I) A summary of the distance from the proposed dispensary's
1117 property line to the closest pre-existing public or private preschool

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- 1118 or elementary or secondary school or day care center, day care
1119 home, group day care home, part day child care facility,
1120
1121 J) The anticipated date the dispensing organization will be ready for
1122 an inspection by the Division,
1123
1124 K) An attestation under penalty of perjury that the information
1125 provided to the Division for approval to operate a dispensary is
1126 true and correct, and,
1127
1128 L) The signatures and date of each principal officer identified in the
1129 application.
1130
1131 2) A copy of documentation issued by the local jurisdiction to the dispensing
1132 organization authorizing use of the proposed building as a dispensary,
1133 including but not limited to a certificate of occupancy, a special use
1134 permit, or a conditional use permit.
1135
1136 3) A sworn notarized statement signed and dated that the dispensing
1137 organization is in compliance with local zoning ordinances or restrictions.
1138
1139 4) Explanation of products or services, if any, that will be offered in addition
1140 to cannabis and cannabis infused products.
1141
1142 5) An operations manual that demonstrates compliance with the Act and this
1143 Part.
1144
1145 6) A staffing plan that ensures adequate staffing, adequate dispensary agent
1146 knowledge and experience, accessible business hours and safe dispensing.
1147
1148 7) A plan for a continuous supply of medical cannabis to registered
1149 qualifying patients and designated caregivers.
1150
1151 8) The estimated amount of cannabis it plans to store at the dispensary.
1152
1153 9) A site plan drawn to scale of the proposed dispensary showing streets,
1154 traffic direction, sidewalks, trees, alleys, property lines, additional
1155 buildings on-site, parking areas and handicapped parking spaces, fences,
1156 exterior walled areas, garages, vehicle delivery access doors, hangars,
1157 security features and outdoor areas as applicable.

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1197
- 10) The location and site plan including a floor plan or blueprint drawn to scale of the building where the proposed dispensary will be, which shall at a minimum show and identify:
 - A) Layout and square footage of each room,
 - B) Overall square footage of the dispensary facility,
 - C) Name and function of each room,
 - D) Doorways or pathways between rooms,
 - E) Means of ingress and egress,
 - F) Location of restricted and limited access areas,
 - G) Location of cannabis storage areas while dispensary is open for business,
 - H) Location of cannabis storage areas while dispensary is closed for business,
 - I) Location of the sink and refrigerator, if any,
 - J) Location of all approved safes or vaults that will be used to store cannabis, cannabis products or currency,
 - K) Location of each computer used to check qualifying patient cards or designated caregiver registry cards,
 - L) Location of each computer and cash register used for point of sale transactions,
 - M) Location of bullet-proof glass,
 - N) Location of drawer, grate or conduit through the bullet-proof glass,
 - O) Location of bullet-proof walls,

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- 1198 P) Location of fire exits,
1199
1200 Q) Location of each toilet facilities,
1201
1202 R) Location of a break room and personal storage lockers, if any,
1203
1204 S) Location of patient counseling areas,
1205
1206 T) Location of each video camera,
1207
1208 U) Location of each panic button, and
1209
1210 V) Location of natural and artificial lighting sources.
1211
1212 11) Policies and procedures that comply with the requirements in this Part for:
1213
1214 A) Inventory control,
1215
1216 B) Qualifying patient and designated caregiver recordkeeping,
1217
1218 C) Point of Sale recordkeeping,
1219
1220 D) Security plan that the Division will review for approval, and,
1221
1222 E) Patient care education and support.
1223
1224 12) A detailed description of air treatment systems that will be installed to
1225 reduce off-site odors.
1226
1227 13) A description of the features, if any, that will provide accessibility to
1228 qualifying patients and designated caregivers beyond what is required by
1229 the ADA.
1230
1231 14) A plan detailing how the dispensary organization will perform a physical
1232 inventory of all medical cannabis on a daily basis.
1233
1234 15) An attestation that the dispensary organization will have safes or vaults
1235 with dimensions sufficient for storage of cannabis, cash and currency.
1236

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- 1275 1) The registrant failed to submit the materials required by the Act, including
1276 that the plans submitted do not satisfy the security, oversight, or
1277 recordkeeping rules.
1278
- 1279 2) The registrant selected a location that is not in compliance with local
1280 zoning rules or does not meet the requirements of Section 140 of the Act,
1281
- 1282 3) The registrant does not meet the requirements of Section 130 of the Act,
1283
- 1284 4) One or more of the principal officers has been convicted of an excluded
1285 offence,
1286
- 1287 5) One or more of the principal officers has served as a principal officer for a
1288 registered medical cannabis dispensing organization that has had its
1289 registration revoked,
1290
- 1291 6) One or more of the principal officers is under 21 years of age, or,
1292
- 1293 7) One or more of the principal officers is a registered qualified patient or a
1294 designated caregiver.
1295
- 1296 g) Once all documentation is complete, and the dispensary organization is prepared
1297 to open the dispensary for business, the dispensary organization shall contact the
1298 Division for a final inspection and final approval to open.
1299
- 1300 h) Once the Division has issued approval to operate, the dispensary organization
1301 shall notify the Division of the proposed dispensary opening date. The dispensary
1302 organization shall provide at least 3 days notice to the Division prior to opening.
1303

Section 1290.120 Changes to a Dispensary Organization Registration

- 1306 a) A dispensary Registration shall be issued to the specific dispensing organization
1307 identified on the application, and for the specific dispensary location proposed.
1308 The Registration is valid only for the owner, premises, and name designated on
1309 the registration and the location for which it is issued. A dispensing organization
1310 may not transfer or assign a dispensing organization Registration.
1311
- 1312 b) A dispensing organization shall provide written notice to the Division of any
1313 addition or removal of persons or entities listed as principal officers, pursuant to
1314 this Part. Notice shall be provided to the Division a minimum of 10 business days

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- 1315 prior to the change, on forms provided by the Division unless the Division
1316 approves a lesser time in writing.
1317
- 1318 c) For a change in the persons serving as principal officers, a dispensing
1319 organization shall provide the Division the same information required on an initial
1320 application and initial registration for a new principal officer holding any
1321 ownership interest pursuant to this Part. All new principal officers shall be
1322 subject to the requirements of this Part.
1323
- 1324 d) A change in more than 49% the dispensary ownership within one calendar year
1325 shall be reported to the Division. The Division will review the ownership
1326 structure to determine whether the change in ownership has had the effect of a
1327 transfer of the Registration in violation of this Part. The dispensing organization
1328 shall supply all ownership documents and change of ownership documents to the
1329 Division.
1330
- 1331 e) The dispensing organization shall provide the Division with the personal
1332 information for all new dispensary agents and agents in charge as required in this
1333 Part and all new dispensary agents and agents in charge shall be subject to the
1334 requirements of this Part. No dispensary organization agents may begin
1335 employment or work at a dispensary organization without first obtaining a
1336 dispensary organization agent card.
1337
- 1338 f) The Division shall reject the addition of any principal officers not in compliance
1339 with all requirements of the Act and this Part, and that person shall be removed
1340 from his, her, or its position with the dispensing organization or shall otherwise
1341 terminate his, her, or its affiliation with the dispensing organization upon rejection
1342 by the Division. Failure to do so may subject the dispensing organization to
1343 discipline, suspension or revocation of its registration by the Division.
1344
- 1345 g) A dispensing organization may change the location of the dispensary to a different
1346 Division approved location in the District where the dispensary is assigned.
1347
- 1348 h) A dispensing organization shall not distribute, dispense, or sell medical cannabis
1349 at a new location until the dispensing organization submits an application for a
1350 change of address and the Division issues a new or amended dispensing
1351 organization registration.
1352

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- 1353 i) It is the responsibility of the registered dispensing organization, and its principal
1354 officers to notify the Division of a change of their personal address prior to the
1355 move.
1356

1357 **Section 1290.130 Request to Change a Dispensary Location**
1358

- 1359 a) To change the location of the dispensary premises within its specified District, the
1360 dispensing organization shall submit an application to the Division requesting the
1361 change.
1362
- 1363 b) The application shall include the non-refundable fee for a dispensing organization
1364 registration change of location.
1365
- 1366 c) The new dispensary location shall meet all the requirements of the Act and this
1367 Part, including requirements in Section 1290.110 (b), and all zoning requirements.
1368
- 1369 d) If the information and documents submitted by the dispensing organization
1370 comply with the Act and this Part and the proposed location is acceptable to the
1371 Division, the Division will issue a conditional approval to change the dispensary
1372 location. The dispensary organization may continue to operate at the existing
1373 location, until the new location is registered and open for business. The
1374 dispensary organization may not operate two locations under the same registration
1375 number.
1376
- 1377 e) Once the new dispensary premises are built and ready for operation, the
1378 dispensing organization shall notify the Division and request an inspection.
1379
- 1380 f) Prior to issuing a final registration and approval to operate, the Division will
1381 inspect the dispensary to confirm compliance with the Act and this Part.
1382
- 1383 g) Final approval to the dispensary organization to operate will be issued by the
1384 Division only after the completion of a successful inspection.
1385
- 1386 h) Once the Division has issued approval to operate, the dispensary organization
1387 shall notify the Division of the proposed dispensary opening date. The dispensary
1388 organization shall provide at least 3 days notice to the Division prior to opening
1389 for business. The previous registered location of the dispensary organization must
1390 cease when the new location commences operations.
1391

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- 1392 i) The dispensing organization registration that includes the new address shall retain
1393 the expiration date of the previously issued dispensing organization registration.
1394
- 1395 j) An application for a change in location of a dispensary facility may not be
1396 combined with an application for renewing a dispensing organization registration.
1397 The Division shall process each application separately.
1398
- 1399 k) Should the dispensing organization relocate, it shall inform its existing patients of
1400 the new dispensary location.
1401

Section 1290.140 Dispensing Organization Renewals

- 1402
- 1403
- 1404 a) Every dispensing organization registration issued under the Act shall expire
1405 annually, on the date it was issued. The registration holder may renew the
1406 registration during the month preceding the expiration date by paying the required
1407 renewal fee, provided it is in current compliance with the Act and this Part.
1408
- 1409 b) If the dispensary premises is leased, when submitting for Registration renewal the
1410 dispensing organization must provide documentation that the registered premises
1411 has been leased for the following calendar year.
1412
- 1413 c) Upon a dispensing organization's request for a Registration renewal, the Division
1414 shall consider the dispensing organization's history of compliance with standards,
1415 rules and regulations promulgated under the Act, the number and severity of the
1416 violations and the correction of violations, penalties, or other enforcement actions.
1417
- 1418 d) The Director of the Division may deny a dispensing organization's request for
1419 renewal of a registration due to poor compliance history or if the dispensing
1420 organization has been disciplined under the Act or this Part.
1421
- 1422 e) Failure to receive a renewal form from the Division shall not excuse a dispensary
1423 organization from renewing the registration prior to its expiration or paying the
1424 renewal fee. Dispensing medical cannabis on an expired registration is unlicensed
1425 activity and is grounds for imposition of discipline.
1426
- 1427 f) No dispensing organization shall, after the expiration of a dispensing organization
1428 agent registration card, employ the holder of the card in any capacity.
1429

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- 1430 g) Prior to a refusal to renew a dispensing organization's registration by the
1431 Division, the registrant shall be entitled to an administrative hearing in accordance
1432 with the hearing rights prescribed in the Act and this Part.
1433
- 1434 h) Prior to disciplinary action taken against a dispensing organization by the
1435 Division, the dispensing organization shall be entitled to an administrative hearing
1436 in accordance with the hearing rights prescribed in the Act.
1437
- 1438 i) It is the responsibility of each registered dispensing organization to notify the
1439 Division of an agent's change of address.
1440

1441 SUBPART E: REGISTRATION OF DISPENSING ORGANIZATION AGENTS
1442

1443 **Section 1290.150 Dispensing Organization Agent-In-Charge**
1444

- 1445 a) Every dispensing organization shall designate an agent-in-charge. The designated
1446 agent-in-charge must hold a dispensary organization agent card. Maintaining an
1447 agent-in-charge is a continuing requirement for the dispensing organization
1448 registration.
1449
- 1450 b) The agent-in-charge shall be a principal officer or a full-time agent of the
1451 dispensing organization and shall participate in dispensing organization affairs.
1452 Participation in dispensing organization affairs includes, but is not limited to,
1453 responsibility for acceptance of deliveries, oversight of services and dispensary
1454 agents, recordkeeping, inventory, dispensary agent training and compliance with
1455 the Act and this Part. Participation in dispensing organization affairs also
1456 includes the responsibility for maintaining all files subject to audit or inspection
1457 by the Division. These files shall be located within Illinois.
1458
- 1459 c) The agent-in-charge is responsible for notifying the Division, on forms provided
1460 by the Division, of any change of information required to be reported to the
1461 Division within 10 work days after the change, unless required to be reported in
1462 advance pursuant to this Part.
1463
- 1464 d) If the dispensing organization is a corporation or a limited liability company, the
1465 agent-in-charge is responsible for maintaining the good standing of the
1466 corporation or limited liability company with the Secretary of State. If the
1467 dispensing organization is a foreign corporation, the agent-in-charge is
1468 responsible for maintaining its authorization to conduct business in Illinois in
1469 good standing.

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- 1470
1471 e) In determining whether an agent-in-charge participates in dispensing organization
1472 affairs, the Division may consider the responsibilities identified in this Section,
1473 the number of dispensary agents under the supervision of the agent-in-charge, and
1474 the employment relationship between the agent-in-charge and the dispensing
1475 organization, including the existence of a contract for employment and any other
1476 relevant fact or circumstance.
1477
- 1478 f) The agent-in-charge is responsible for notifying the Division, on forms provided
1479 by the Division, of a change in the employment status of all dispensary
1480 organization agents, and the nature and reason for the status change, within 10
1481 work days after the change.
1482
- 1483 g) In the event of the separation of an agent-in-charge due to the death, incapacity,
1484 termination or any other reason, the dispensing organization shall immediately
1485 contact the Division and request a temporary certificate of authority allowing the
1486 continuing operation of the dispensing organization. The request shall include the
1487 name of an interim agent-in-charge until a replacement is identified, or shall
1488 include the name of the replacement. The Division shall issue the temporary
1489 certificate of authority promptly after it approves request. If a dispensing
1490 organization fails to promptly request a temporary certificate of authority after the
1491 separation of the agent-in-charge, its authorization to operate shall cease until
1492 such time as the Division approves the temporary certificate of authority or
1493 registers a new agent in charge. The temporary agent-in-charge assumes all
1494 responsibilities as the agent-in-charge pursuant to Section 1290.150. No
1495 temporary certificate of authority shall be valid for more than 90 days. The
1496 succeeding agent-in-charge shall register with the Division in compliance with
1497 this Part. Once the permanent succeeding agent-in-charge is registered with the
1498 Division, the temporary certificate of authority is void. No temporary certificate
1499 of authority shall be issued for the separation of the agent-in-charge because of
1500 disciplinary action by the Division related to his or her conduct on behalf of the
1501 dispensing organization.
1502
- 1503 h) The dispensing organization agent-in-charge registration shall expire annually on
1504 the date it was issued. The dispensing organization shall renew the agent-in-
1505 charge registration annually. The Division shall review the dispensary's
1506 compliance history when determining whether to grant the request to renew.
1507
- 1508 i) Upon termination of employment, the dispensary agent identification card shall be
1509 immediately returned to the dispensing organization. The dispensing organization

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- 1510 shall promptly return the identification cards to the Division.
1511
1512 j) The Division may revoke an agent in charge identification card for any of the
1513 following reasons:
1514
1515 1) Submission of misleading, incorrect, false, or fraudulent information in the
1516 application or renewal application,
1517
1518 2) Violation or violations of the requirements of the Act or this Part,
1519
1520 3) Fraudulent use of the agent in charge identification card,
1521
1522 4) Selling, distributing, transferring in any manner, or giving medical
1523 cannabis to any unauthorized person,
1524
1525 5) Tampering with, falsifying, altering, modifying, or duplicating an agent in
1526 charge identification card,
1527
1528 6) Failure to notify the Division within ten business days after becoming
1529 aware that the agent in charge identification card has been lost, stolen or
1530 destroyed,
1531
1532 7) Failure to notify the Division within ten business days after a change in
1533 the information provided in the application for an agent in charge
1534 identification card, or,
1535
1536 8) Conviction of an excluded offense following the issuance of an agent in
1537 charge identification card.
1538
1539 k) Only a dispensing organization principal officer or agent in charge can apply for a
1540 dispensing organization agent registration card for themselves and/or other
1541 dispensary agents.
1542

1543 **Section 1290.160 Dispensing Organization Agents**
1544

- 1545 a) All principal officers of the dispensing organization shall hold a dispensing
1546 organization agent registration card. Additionally, all agents of the dispensing
1547 organization shall hold a dispensing organization agent registration card. All
1548 persons identified under this subsection shall carry their dispensing organization
1549 card while present at the dispensary.

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- 1550
1551 b) A dispensing organization agent registration application shall be on forms
1552 provided by the Division, along with the following:
1553
1554 1) A full set of fingerprints in electronic format as outlined in this Part with
1555 their initial registration application,
1556
1557 2) A copy of the applicant's valid driver's license,
1558
1559 3) Electronic picture of applicant,
1560
1561 4) A sworn statement that the applicant has not been convicted of an
1562 excluded offense in any jurisdiction,
1563
1564 5) The applicant's social security number,
1565
1566 6) The required registration fee, and,
1567
1568 7) Any additional information as requested by the Division in the verification
1569 process.
1570
1571 c) If no record is found relating to the fingerprints and the applicant is otherwise
1572 qualified under the Act, the Division may issue to the applicant a dispensing
1573 organization agent registration card that will be valid for the period specified on
1574 the face of the card and will be renewable upon the conditions set forth in this
1575 Part.
1576
1577 d) Upon termination of employment, the dispensary agent identification card shall be
1578 immediately returned to the dispensing organization. The dispensing organization
1579 shall promptly return the identification cards to the Division.
1580
1581 e) The Division may revoke a dispensary agent identification card for any of the
1582 following reasons:
1583
1584 1) Submission of misleading, incorrect, false, or fraudulent information in the
1585 application or renewal application,
1586
1587 2) Violation or violations of the requirements of the Act or this Part,
1588
1589 3) Fraudulent use of the dispensary agent identification card,

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- 4) Selling, distributing, transferring in any manner, or giving medical cannabis to any unauthorized person,
 - 5) Tampering with, falsifying, altering, modifying, or duplicating a dispensary agent identification card,
 - 6) Failure to notify the Division within ten business days after becoming aware that the dispensary agent identification card has been lost, stolen or destroyed,
 - 7) Failure to notify the Division within ten business days after a change in the information provided in the application for a dispensary agent identification card, or,
 - 8) Conviction of an excluded offense following the issuance of a dispensary agent identification card.

1608 **Section 1290.170 Persons with Significant Influence or Control; Disassociation**

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- a) Any individual in connection with the dispensing organization who is not a principal officer, and who may significantly influence or control the activities of the dispensing organization, other than a bank or other licensed lending institution holding a mortgage or other lien, may be subject to a background investigation or an examination of the business relationship with the dispensary.
 - b) The Division may order the disassociation of any person from the dispensing organization if the person fails to cooperate with the Division's investigation or if the person would be prohibited from being a principal officer pursuant to the Act and this Part. The order issued by the Director shall be directed to the applicant or registrant, and non-compliance with the order may result in the revocation, suspension, or other discipline of the registration.

1623 **Section 1290.180 State and Federal Criminal History Records Check**

- 1624
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1626
1627
1628
- a) The ISP shall act as the Division's agent, receiving electronic fingerprints and conducting background checks of each dispensary principal officer applying for an agent identification card.

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- 1629 b) The ISP shall conduct background checks for conviction information contained in
1630 the ISP and the Federal Bureau of Identification criminal history databases, as
1631 permitted.
1632
- 1633 c) Persons required by the Act and this Part to submit to a state and federal criminal
1634 history record check of conviction(s) of an excluded offense under the Act, shall
1635 submit to a fingerprint-based criminal history records check by providing a full
1636 set of fingerprints in an electronic format to an ISP live scan vendor whose
1637 equipment has been certified by ISP or a fingerprint vendor agency licensed by
1638 the Division.
1639
- 1640 d) Manual fingerprints will be rejected.
1641
- 1642 e) Fingerprints shall be taken within the 30 days prior to the application date or
1643 renewal date for a dispensary agent identification card.
1644
- 1645 f) Fingerprint images, of the individual being fingerprinted, and related alpha
1646 numeric identification data submitted for the purpose of this fingerprint based
1647 background check, shall be submitted electronically.
1648
- 1649 g) If the fingerprints are rejected by the ISP, the dispensary agent shall have his or
1650 her fingerprints collected electronically by a live scan fingerprint vendor a second
1651 time.
1652
- 1653 h) In the event of equipment malfunction or other special circumstance that makes
1654 electronic transmission of fingerprint data impractical, the Department may allow
1655 limited use of paper fingerprint records.
1656
- 1657 i) The dispensary agent shall submit a copy of the live scan request form with the
1658 dispensary agent identification card application or renewal, and receipt provided
1659 from the live scan fingerprint vendor containing the Transaction Control Number
1660 (TCN), to the Division as proof that his or her fingerprints have been collected.
1661
- 1662 1) Dispensary identification card applications submitted without a copy of
1663 the live scan request form and receipt will be deemed incomplete and will
1664 not be processed until fingerprinting is completed.
1665
- 1666 2) Fees associated with the live scan fingerprint-based criminal history
1667 records check shall be the responsibility of the individual seeking a
1668 dispensary agent identification card.

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- 1669
1670 j) The Division shall obtain, from the ISP, a state and federal criminal records
1671 check, as permitted, containing conviction information for each agent applying for
1672 an identification card.

1673
1674 SUBPART F: DISPENSARY OPERATION

1675
1676 **Section 1290.190 Operational Requirements**

- 1677
1678 a) It is the duty of the Division to enforce the provisions of the Act relating to the
1679 registration and oversight of dispensary organizations unless otherwise provided
1680 for in the Act.
- 1681
1682 b) This Part shall apply to holders of a dispensary registration to accept, store and
1683 sell medical cannabis. A dispensary shall be in compliance with the Act and this
1684 Part prior to commencement of operational activities, acceptance, storage or sale
1685 of medical cannabis.
- 1686
1687 c) Only a dispensary organization that has been issued a registration by the Division
1688 shall own and operate a dispensary facility. A dispensary organization awarded a
1689 registration shall operate in accordance with the Act, and this Part and the
1690 representations made in its application.
- 1691
1692 d) Packaging and Labeling Standards. A dispensary organization is prohibited from
1693 selling cannabis that is not pre-packaged and labeled in accordance with this Part
1694 and the rules issued by the Illinois Department of Agriculture and Department of
1695 Public Health.
- 1696
1697 e) A dispensary is prohibited from selling cannabis or any cannabis-infused product
1698 to a consumer that does not have an active registered qualifying patient or
1699 designated caregiver card issued by DPH.
- 1700
1701 f) Consumption Prohibited. A dispensary shall not permit the consumption of
1702 cannabis or cannabis-infused products on its registered premises.
- 1703
1704 g) A dispensary organization shall maintain compliance with local zoning
1705 ordinances or regulations.
- 1706
1707 h) A dispensary organization shall submit a list of all third party vendors to the
1708 Division. Changes to the list of third party vendors shall be promptly provided.

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- 1709
1710 i) A dispensary organization awarded a registration shall operate in accordance with
1711 the representations made in its application and Registration Packet.
1712
1713 j) A dispensary registration shall allow the registrant to operate at a single
1714 dispensary location.
1715
1716 k) A dispensary may operate between 6 a.m. local time to 8 p.m. local time.
1717
1718 l) A dispensary organization shall not:
1719
1720 1) produce or manufacture cannabis,
1721
1722 2) enter into an exclusive agreement with any cultivation center,
1723
1724 3) refuse to conduct business with a cultivation center that has the ability to
1725 properly deliver the product and is licensed with the Illinois Department of
1726 Agriculture, on the same terms and conditions as other cultivation centers
1727 with whom the dispensary organization is dealing,
1728
1729 4) A registered dispensary organization shall not operate drive through
1730 windows at the dispensary,
1731
1732 5) A registered dispensary organization shall not transport cannabis to
1733 residences of registered patients or caregivers,
1734
1735 6) All cannabis and cannabis infused products must be obtained from an
1736 Illinois registered cultivation center.

1737
1738 SUBPART G: SECURITY AND RECORDKEEPING
1739

1740 **Section 1290.200 Inventory Control System**
1741

- 1742 a) A dispensing organization agent-in-charge shall have oversight of the dispensing
1743 organization's medical cannabis inventory control system. The inventory control
1744 system shall be real-time, web-based and accessible by the Division 24/7.
1745
1746 b) A dispensing organization shall establish and implement an inventory control
1747 system for its medical cannabis that documents:
1748

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1788
- 1) Each transaction and each day’s beginning inventory, acquisitions, sales, disposal of unusable cannabis, and ending inventory,
 - 2) Acquisition of medical cannabis from a registered cultivation center including,
 - A) A description of the medical cannabis acquired including the amount, strain, variety and batch number,
 - B) The name and registry identification number of the registered cultivation center providing the medical cannabis,
 - C) The name and registry identification number of the registered cultivation center agent providing the medical cannabis,
 - D) The name and registry identification number of the dispensing organization agent receiving the medical cannabis on behalf of the dispensing organization, and,
 - E) The date of acquisition.
 - 3) The disposal of medical cannabis including:
 - A) A description of and reason for the cannabis being disposed,
 - B) The name and registry identification number of the registered cultivation center that provided the medical cannabis,
 - C) The method of disposal and the name address and telephone number of the disposal company, and,
 - D) Date the medical cannabis was disposed of.
 - 4) The receipt of medical cannabis infused products from a registered cultivation center including:
 - A) A list of the type of medical cannabis infused products received from the registered cultivation center and the quantity of each product received,

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1829 acquisition and sales, prepared in accordance with generally accepted
1830 accounting principles. Annually, the dispensing organization shall submit
1831 an audit including the same information, compiled by and certified by a
1832 licensed auditor or CPA.

- 1833
- 1834 d) A dispensing organization shall:
- 1835
- 1836 1) Maintain the documentation required in this Section in a secure locked
1837 location at the dispensing organization for 5 years from the date on the
1838 document,
- 1839
- 1840 2) Provide any documentation required to be maintained in this Section to the
1841 Division for review upon request, and,
- 1842
- 1843 3) If maintaining a bank account, retain for a period of 5 years a record of
1844 each deposit or withdrawal from the account.
- 1845
- 1846 e) A dispensing organization shall not accept returns of medical cannabis.
- 1847
- 1848

1849 **Section 1290.210 Storage Requirements**

- 1850
- 1851 a) Authorized On-Premises Storage. A dispensary organization must store inventory
1852 on the registered premises. All inventory stored on the registered premises must
1853 be secured in a restricted access area and tracked consistently with the inventory
1854 tracking rules.
- 1855
- 1856 b) A dispensary premises shall be of suitable size and construction to facilitate
1857 cleaning, maintenance and proper operations.
- 1858
- 1859 c) A dispensary shall include adequate lighting, ventilation, temperature, humidity,
1860 and equipment.
- 1861
- 1862 d) Containers storing medical cannabis that have been tampered with or opened shall
1863 be separated from other medical cannabis products until they are disposed of in
1864 accordance with the Act and this Part.
- 1865
- 1866 e) A dispensary shall have a separate area for storage of cannabis that is damaged
1867 until it is disposed of in accordance with this Part.
- 1868

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- 1869 f) A dispensing organization shall not store damaged medical cannabis at the
1870 Registered premises for more than one week.
1871
- 1872 g) The dispensary storage areas shall be maintained in a clean and orderly condition.
1873
- 1874 h) The dispensary storage areas shall be free from infestation by insects, rodents,
1875 birds, or pests of any kind.
1876
- 1877 i) The dispensary storage areas shall be maintained in accordance with the Security
1878 Requirements in accordance with this Part.
1879
- 1880 j) Medical cannabis shall be stored at appropriate temperatures and under
1881 appropriate conditions to help ensure that its identity, strength, quality and purity
1882 are not adversely affected.
1883

1884 **Section 1290.220 Security Requirements**
1885

- 1886 a) A dispensing organization shall implement security measures to deter and prevent
1887 entry into and theft from restricted access areas containing cannabis or currency.
1888
- 1889 b) A dispensing organization shall submit changes to the floor plan or security plan
1890 to the Division for pre-approval.
1891
- 1892 c) The dispensing organization shall implement security measures to protect the
1893 premises, registered qualifying patients, designated caregivers, and dispensing
1894 organization agents including, but not limited to the following:
1895
 - 1896 1) Establish a locked door or barrier between the facility's entrance and the
1897 limited access area. The limited access area shall only be accessible to
1898 registered qualifying patients, designated caregivers, dispensing
1899 organization owners and agents, service professionals, and persons
1900 authorized by the Act and this Part,
1901
 - 1902 2) Prevent individuals from remaining on the premises of the dispensary if
1903 they are not engaging in activity permitted by the Act or this Part,
1904
 - 1905 3) Develop a policy that addresses the maximum capacity in the waiting
1906 rooms of the dispensary,
1907
 - 1908 4) Dispose of cannabis in accordance with this Part,

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- 5) During hours of operation, store all cannabis in established restricted access area accessible only to specifically authorized personnel, which shall include only the minimum number of dispensary agents essential for efficient operations,
 - 6) When the dispensary is closed, store all cannabis and currency in a secure locked safe or vault and in a manner as to prevent diversion, theft, and loss,
 - 7) Keep all safes, vaults, and any other equipment or cannabis storage areas securely locked and protected from unauthorized entry,
 - 8) Keep an electronic daily log of dispensary agents with access to the safe and knowledge of the access code or combination to the safe,
 - 9) Keep all locks and security equipment in good working order,
 - 10) Prohibit keys, if applicable, from being left in the locks, or stored or placed in a location accessible to persons other than specifically authorized personnel,
 - 11) Prohibit accessibility of security measures, including combination numbers, passwords, or electronic or biometric security systems to persons other than specifically authorized personnel,
 - 12) Ensure that the outside perimeter of the dispensing organization premises are sufficiently lit to facilitate surveillance,
 - 13) Ensure that trees, bushes, and other foliage outside of the dispensing organization premises do not allow for a person or persons to conceal themselves from sight,
 - 14) Develop emergency policies and procedures for securing all product and currency following any instance of diversion, theft, or loss of cannabis, and conduct an assessment to determine whether additional safeguards are necessary, and,
 - 15) Develop sufficient additional safeguards that present special security concerns, as required by the Division.

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1983
1984
1985
1986
1987
1988
- d) The Division may request or approve alternative security provisions that it determines are an adequate substitute for a security requirement specified in subsection (a). Any additional protection may be considered by the Division in evaluating overall security measures.
 - e) A dispensing organization shall provide additional security as needed and in a manner appropriate for the community where it operates.
 - f) Restricted Access Areas.
 - 1) All restricted access areas must be identified by the posting of a sign that shall be a minimum of 12” X 12” and which states “Do Not Enter – Restricted Access Area – Access Restricted to Authorized Personnel Only” in lettering no smaller than 1 inch in height.
 - 2) All restricted access areas shall be clearly described in the floor plan of the registered premises, in the form and manner determined by the Division, reflecting walls, partitions, counters, and all areas of entry and exit. Said floor plan shall also show all storage, disposal, and retail sales areas.
 - 3) All restricted access areas must be secure, with locking devices that prevent access from the limited access areas.
 - 4) A dispensing organization agent shall visibly display a dispensary organization agent identification card issued by the Division at all times while at the dispensary.
 - 5) All service professionals and visitors must obtain a numbered visitor identification badge prior to entering a restricted access area, and shall be escorted at all times by a dispensing organization agent authorized to enter the restricted access area. All visitors must be logged in and out, and that log shall be maintained for 5 years on-site and available for inspection by the Division at all times. All visitor identification badges shall be returned to the dispensing organization upon exit.
 - g) Security and Alarm Systems.
 - 1) A dispensing organization shall have an adequate security plan and security system to prevent and detect diversion, theft, or loss of cannabis,

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- 1989 currency or unauthorized intrusion using commercial grade equipment
1990 installed by an Illinois licensed private alarm contractor or private alarm
1991 contractor agency, which shall, at a minimum, include:
1992
1993 A) A perimeter alarm on all entry points and perimeter windows,
1994
1995 B) A failure notification system that provides an audible, text, or
1996 visual notification of any failure in the surveillance system. The
1997 failure notification system shall provide an alert to designated
1998 dispensary organization agents of the dispensing organization
1999 within five minutes after the failure, either by telephone, email, or
2000 text message,
2001
2002 C) A duress alarm, panic alarm, holdup alarm, or after hours intrusion
2003 detection alarm that by design and purpose will make direct or in-
2004 direct notification by the most efficient means to the Public Safety
2005 Answering Point (PSAP) for the law enforcement agency having
2006 primary jurisdiction,
2007
2008 D) Unobstructed video surveillance of all enclosed dispensary areas,
2009 unless prohibited by law, including all points of entry and exit,
2010 which shall be appropriate for the normal lighting conditions of the
2011 area under surveillance. The cameras shall be directed so all areas
2012 are captured including but not limited to safes, vaults, sales areas,
2013 and areas where cannabis is stored, handled or dispensed. Cameras
2014 shall be angled to allow for facial recognition, the capture of clear
2015 and certain identification of any person entering or exiting the
2016 dispensary area and in lighting sufficient during all times of night
2017 or day,
2018
2019 E) Unobstructed video surveillance of the parking lot, which shall be
2020 appropriate for the normal lighting conditions of the area under
2021 surveillance. Cameras shall be angled so as to allow for the capture
2022 of facial recognition, clear and certain identification of any person
2023 entering or exiting the dispensing organization or area and license
2024 plates of vehicles in the parking lot,
2025
2026 F) Twenty-four hour recordings from all video cameras available for
2027 immediate viewing by the Division upon request. Recordings shall
2028 not be destroyed or altered, and retained for at least 90 days.

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- 2029 Recordings shall be retained as long as necessary if the dispensing
2030 organization is aware of the loss or theft of cannabis or a pending
2031 criminal, civil, or administrative investigation, or legal proceeding
2032 for which the recording may contain relevant information,
2033
- 2034 G) The ability to immediately produce a clear, color, still photo (live
2035 or recorded) from the surveillance video,
2036
- 2037 H) A date and time stamp embedded on all video surveillance
2038 recordings. The date and time shall be synchronized and set
2039 correctly and shall not significantly obscure the picture,
2040
- 2041 I) The ability to remain operational during a power outage and ensure
2042 all access doors are not solely controlled by an electronic access
2043 panel to ensure that locks are not released during power outage,
2044 and,
2045
- 2046 J) All video surveillance equipment shall allow for the exporting of
2047 still images in an industry standard image format, including .jpg,
2048 .bmp, and .gif. Exported video shall have the ability to be archived
2049 in a proprietary format that ensures authentication of the video and
2050 guarantees that no alteration of the recorded image has taken place.
2051 Exported video shall also have the ability to be saved in an
2052 industry standard file format that can be played on a standard
2053 computer operating system. All recordings shall be erased or
2054 destroyed prior to disposal.
2055
- 2056 2) All security system equipment and recordings shall be maintained in
2057 working order, in a secure location so as to prevent theft, loss, destruction,
2058 or alterations.
2059
- 2060 3) Access to rooms where surveillance monitoring recording equipment
2061 resides shall be limited to persons that are essential to surveillance
2062 operations, law enforcement authorities acting within their lawful
2063 jurisdiction, security system service personnel, and the Division. A current
2064 list of authorized dispensary agents and service personnel that have access
2065 to the surveillance room must be available to the Division upon request.
2066
- 2067 4) All security equipment shall be in good working order and shall be
2068 inspected and tested at regular intervals, not to exceed 30 calendar days

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- 2069 from the previous inspection and test to ensure the systems remain
2070 functional.
2071
- 2072 5) The security system shall provide protection against theft and diversion
2073 that is facilitated or hidden by tampering with computers or electronic
2074 records.
2075
- 2076 h) To monitor the facility and prevent unauthorized access to medical cannabis at the
2077 dispensary, the dispensing organization shall incorporate the following.
2078
- 2079 1) Security equipment to deter and prevent unauthorized entrance into
2080 restricted access areas that includes:
2081
- 2082 A) Devices or a series of devices to detect unauthorized intrusion,
2083 which may include a signal system interconnected with a radio
2084 frequency method, cellular, private radio signals, or other
2085 mechanical or electronic device,
2086
- 2087 B) Exterior lighting to facilitate surveillance.
2088
- 2089 2) Electronic monitoring including:
2090
- 2091 A) All monitors must be 19-inches or greater,
2092
- 2093 B) A video printer capable of immediately producing a clear still
2094 photo from any video camera image,
2095
- 2096 C) Video cameras:
2097
- 2098 i) Providing coverage of all entrances to and exits from
2099 limited and restricted access areas and all entrances to and
2100 exits from the building, capable of identifying any activity
2101 occurring in or adjacent to the building, and,
2102
- 2103 ii) Having a recording resolution of at least 704 x 480 or the
2104 equivalent.
2105
- 2106 D) A video camera or cameras at each point of sale location allowing
2107 for the identification of the dispensary agent distributing the
2108 cannabis and any qualifying patient or designated caregiver

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- 2109 purchasing medical cannabis. The camera or cameras shall capture
2110 the sale, the individuals and the computer monitors tracking the
2111 sale,
2112
2113 E) Storage of video recordings from the video cameras for at least 90
2114 calendar days,
2115
2116 F) A failure notification system that provides an audible and visual
2117 notification of any failure in the electronic monitoring system, and,
2118
2119 G) Sufficient battery backup for video cameras and recording
2120 equipment to support at least 2 hours of recording in the event of a
2121 power outage; and panic buttons in the interior of each building.
2122
2123 3) The dispensing organization shall maintain policies and procedures
2124 including:
2125
2126 A) A security plan with protocols for patient, caregiver and agent
2127 safety, and management and security of cannabis and currency.
2128
2129 B) Restrict access to the areas in the dispensary that contain cannabis
2130 to authorized individuals only,
2131
2132 C) That provide for the identification of authorized individuals,
2133
2134 D) That control access and prevent loitering both inside the facility
2135 and outside,
2136
2137 E) For conducting electronic monitoring, and,
2138
2139 F) For the use of a panic button.
2140

Section 1290.230 Record Keeping

- 2141
2142
2143 a) Dispensing organization records must be maintained electronically and available
2144 for inspection by the Division upon request. The dispensing organization shall
2145 develop recordkeeping policies and procedures consistent with this Part.
2146
2147 b) Required written records include but are not limited to, the following:
2148

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- 2149 1) Operating procedures,
2150
2151 2) Inventory records, policies and procedures,
2152
2153 5) Security Records,
2154
2155 6) Audit records,
2156
2157 5) Staffing plan,
2158
2159 6) Business records, which shall include manual or computerized records of:
2160
2161 A) Assets and liabilities,
2162
2163 B) Monetary transactions,
2164
2165 C) Written or electronic accounts, which shall include bank
2166 statements, journals, ledgers, and supporting documents,
2167 agreements, checks, invoices, and vouchers, and,
2168
2169 D) Any other financial accounts reasonably related to the dispensary
2170 operations.
2171
2172 7) Storage and transfer of records. If a dispensary closes due to insolvency,
2173 bankruptcy or for any other reason, all records must be preserved at the
2174 expense of the dispensing organization, for at least three years and in a
2175 form and location in Illinois acceptable to the Division. The dispensing
2176 organization shall keep the records longer if requested by the Division.
2177 The dispensing organization shall notify the Division of the location where
2178 the dispensary records are stored or transferred.
2179
2180 8) All other records, policies and procedures required by the Act and this
2181 Part.
2182

Section 1290.240 Cleaning and Sanitation

2184
2185 A dispensing organization shall ensure that any building or equipment used by a dispensing
2186 organization for the storage or sale of medical cannabis is maintained in a clean and sanitary
2187 condition.
2188

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2189 **Section 1290.250 Administration**

2190

2191 A dispensing organization shall:

2192

2193 a) Ensure that the dispensing organization is operating and available to dispense an
2194 uninterrupted supply of medical cannabis to qualifying patients and designated
2195 caregivers,

2196

2197 b) Develop, document, and implement policies and procedures regarding:

2198

2199 1) Training of dispensing organization agents to adhere to confidentiality
2200 requirements, specific uses of cannabis or a cannabis-infused product,
2201 instruction regarding regulatory inspection preparedness and law-
2202 enforcement interaction; awareness of the legal requirements for becoming
2203 and maintaining status as a dispensing organization agent and other topics
2204 as specified by the Division. The dispensing organization shall maintain
2205 evidence of all training provided for every agent in its files and subject to
2206 inspection and audit by the Division. At a minimum, dispensing
2207 organization agents shall receive 8 hours of on-going training annually,

2208

2209 2) Business records, including by-laws, consents, manual or computerized
2210 records of assets and liabilities, audits, monetary transactions, journals,
2211 ledgers, and supporting documents, including agreements, checks,
2212 invoices, and vouchers,

2213

2214 3) Inventory control, including:

2215

2216 A) Tracking qualifying patient records, including purchases, denials
2217 of sale, confidentiality, and retention,

2218

2219 B) Disposal of unusable or damaged cannabis as required by the Act
2220 and this Part.

2221

2222 4) Patient education and support, including:

2223

2224 A) Information about the purported effectiveness of various methods,
2225 forms, and methods of medical cannabis administration,

2226

2227 B) Information about the purported effectiveness of various strains of
2228 medical cannabis on specific conditions,

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- 2229
2230 C) Information that medical cannabis smoke, like cigarette smoke,
2231 may harm the lungs,
2232
2233 D) Current educational information issued by the DPH about the
2234 health risks associated with the abuse of cannabis,
2235
2236 E) Whether possession of cannabis is illegal under federal law,
2237
2238 F) Information about possible side effects,
2239
2240 G) Prohibition on the smoking of medical cannabis in public places,
2241 and,
2242
2243 H) Offer any other appropriate patient education or support materials.
2244
2245 5) Agent Reporting. If the dispensary organization or its principal agents
2246 know that any registered dispensary agent has been arrested for or
2247 convicted of an excluded offense, the dispensary organization shall notify
2248 the Division immediately.
2249
2250 c) Maintain copies of the policies and procedures on the dispensing organization
2251 premises and provide copies to the Division for review upon request.
2252
2253 d) Review dispensing organization policies and procedures at least once every 12
2254 months from the issue date of the dispensing organization registration and update
2255 as needed.
2256
2257 e) Ensure that each principal officer of the dispensing organization and each
2258 dispensary agent have a current dispensing organization agent's registry
2259 identification card in the agent's immediate possession when the agent is working
2260 at the dispensing organization site.
2261
2262 f) Ensure that any identifying information about a qualifying patient or caregiver be
2263 obtained and stored in compliance with the privacy and security rules of the
2264 Health Insurance Portability and Accountability Act (HIPAA).
2265
2266 g) Provide written notice to the Division, including the date of the event, within 10
2267 working days after the date, when a dispensing organization agent no longer:
2268

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- 2269 1) Serves as a principal officer for the dispensing organization, or,
2270
2271 2) Is employed by the dispensing organization.
2272
2273 h) Document and report any loss or theft of cannabis from the dispensary promptly
2274 to the appropriate law enforcement agency and the Division. It is the duty of any
2275 dispensary organization agent who becomes aware of such loss or theft to report it
2276 as provided in this Part.
2277
2278 i) Post the following information in a place that can be viewed by individuals
2279 entering the dispensing organization:
2280
2281 1) The dispensing organization's certificate of registration; and,
2282
2283 2) The hours of operation during which the dispensing organization will
2284 dispense medical cannabis to a qualifying patient or a designated
2285 caregiver.
2286
2287 j) A dispensary shall not:
2288
2289 1) Allow a physician to conduct a physical examination of a patient for
2290 purposes of diagnosing a debilitating medical condition at the dispensary,
2291
2292 2) Allow a physician to hold a direct or indirect economic interest in the
2293 dispensary if the physician recommends the use of medical cannabis to
2294 qualifying patients or is in a partnership or other fee or profit-sharing
2295 relationship with a physician who recommends medical cannabis,
2296
2297 3) Accept referral of patients from a physician, or,
2298
2299 4) Allow a physician to advertise at the dispensary.
2300
2301 k) Violation of any requirement under this Section may subject the dispensing
2302 organization to discipline, up to and including revocation of its registration.
2303

Section 1290.260 Dispensing Medical Cannabis

- 2304
2305
2306 a) Before a dispensing organization agent dispenses medical cannabis to a qualifying
2307 patient or a designated caregiver, the dispensing organization agent shall:
2308
2309 1) Verify the identity of the qualifying patients or the designated caregivers,

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- 2310
2311 2) Verify the validity of the qualifying patients or designated caregiver's
2312 registry identification card,
2313
2314 3) Enter the qualifying patient or designated caregiver's registry
2315 identification number listed on the qualifying patient's or designated
2316 caregiver's registry identification card into the medical cannabis electronic
2317 verification system,
2318
2319 4) Verify that the qualifying patient or designated caregiver has a current
2320 authorization by the DPH to purchase medical cannabis.
2321
2322 4) Verify that the amount of medical cannabis the qualifying patient or
2323 designated caregiver is requesting would not cause the qualifying patient
2324 to exceed the limit on obtaining no more than two and one-half ounces of
2325 medical cannabis during any 14-calendar-day period, and,
2326
2327 5) Enter the following information into the medical cannabis electronic
2328 verification system for the qualifying patient or designated caregiver:
2329
2330 A) The dispensing organization agent's registry identification number,
2331
2332 B) The dispensing organization's registry identification number,
2333
2334 C) The amount, type and strain of medical cannabis dispensed,
2335
2336 D) Identity of the individual to whom the medical cannabis was
2337 dispensed, whether the qualifying patient or the qualifying
2338 patient's designated caregiver, and,
2339
2340 E) The date and time the medical cannabis was dispensed,
2341
2342 b) Any dispensary that sells edible cannabis infused products must do so in
2343 compliance with the Act and this Part.
2344

Section 1290.270 Report of Loss or Theft of Cannabis

- 2345
2346
2347 a) Any principal officer or agent of a dispensary organization shall promptly
2348 document and report any loss or theft of cannabis from the dispensary to the
2349 appropriate law enforcement agency and the Division.

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- 2350
2351 b) The dispensary organization shall promptly make the report to the Division by
2352 phone, and in writing and deposited in the U.S. mail, postage prepaid, within 48
2353 hours after having reasonable cause to believe that cannabis has been lost or
2354 stolen from the dispensary or of the discovery of the loss or theft from the
2355 dispensary.
2356
2357 c) The report to the Division shall include the name and address of the dispensary,
2358 the amount and type of cannabis lost or stolen, the circumstances surrounding the
2359 loss or theft, the date and time of the loss or theft, the date the loss or theft was
2360 discovered, the person who discovered the loss or theft and the person responsible
2361 for the loss or theft if known and any other information that the reporter believes
2362 might be helpful in establishing the cause of the loss or theft.
2363
2364 d) Persons required to make reports or cause reports to be made under this Section
2365 include the dispensary organization and employees of the State of Illinois who are
2366 involved in investigating or regulating dispensaries if the report has not been
2367 made by the dispensary organization.
2368
2369 e) In addition to the above persons required to report loss or theft of cannabis, any
2370 other person may make a report to the Division, or to any law enforcement
2371 officer, if such person has reasonable cause to suspect loss or theft of cannabis
2372 from a dispensary organization.
2373
2374 f) A person required to make reports or cause reports to be made under this Section
2375 who fails to comply with the requirements of this Section is guilty of, at a
2376 minimum, a Class A misdemeanor.
2377
2378 g) The Division shall initiate an investigation of each report of loss or theft under the
2379 Act and this Part. The Division may delegate to law enforcement officials the
2380 duty to perform such investigation.
2381
2382 h) If, during the investigation of a report made pursuant to this Section, the Division
2383 obtains information indicating possible criminal acts, the Division shall refer the
2384 matter to the appropriate law enforcement agency for further investigation or
2385 prosecution. The Division shall make the entire file of its investigation available
2386 to the appropriate law enforcement agencies.
2387

Section 1290.280 Destruction and Disposal

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2389

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- 2390 a) A dispensary organization shall destroy all damaged cannabis and cannabis-
2391 infused products following the methods set forth in this Section.
2392
- 2393 b) For cannabis destruction, the dispensing organization shall render the damaged
2394 cannabis unusable following the methods set forth in this Section.
2395
- 2396 c) At least seven days prior to rendering cannabis unusable and disposing of it, the
2397 dispensing organization shall notify the Division and ISP. Notification shall
2398 include the date and time the dispensing organization will render cannabis
2399 unusable and dispose of it. If the dispensary organization's policy designates the
2400 destruction of cannabis on the same day and time weekly, communication of that
2401 day and time shall be sufficient to comply with this Subsection. Any change in
2402 the date and time must be communicated to the Division and ISP.
2403
- 2404 d) The allowable method to render cannabis waste unusable is by grinding and
2405 incorporating the cannabis waste with other ground materials so the resulting
2406 mixture is at least fifty percent non-cannabis waste by volume. Other methods to
2407 render cannabis waste unusable must be approved by the Division before
2408 implementation. Material used to grind with the cannabis falls into two
2409 categories, compostable waste and non-compostable waste.
2410
- 2411 1) Compostable mixed waste: cannabis waste to be disposed as compost
2412 feedstock or in another organic waste method (for example, anaerobic
2413 digester) may be mixed with the following types of waste materials:
2414
- 2415 A) Food waste,
2416
- 2417 B) Yard waste,
2418
- 2419 C) Vegetable based grease or oils, or
2420
- 2421 D) Other wastes as approved by the Division.
2422
- 2423 2) Noncompostable mixed waste: Cannabis waste to be disposed in a landfill
2424 or another disposal method may be mixed with the following types of
2425 waste materials:
2426
- 2427 A) Paper waste,
2428
- 2429 B) Cardboard waste,

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- 2430
2431 C) Plastic waste,
2432
2433 D) Soil, or,
2434
2435 E) Other wastes as approved by the Division.
2436
2437 e) Cannabis waste rendered unusable following the methods described in this section
2438 can be disposed. Disposal of the cannabis waste rendered unusable may be
2439 delivered to a permitted solid waste facility for final disposition. Examples of
2440 acceptable permitted solid waste facilities include:
2441
2442 1) Compostable mixed waste: Compost, anaerobic digester, or other facility
2443 with approval of the jurisdictional health department,
2444
2445 2) Noncompostable mixed waste: Landfill, incinerator, or other facility with
2446 approval of the jurisdictional health department.
2447
2448 f) All waste and unusable product shall be weighed, recorded and entered into the
2449 inventory system prior to rendering it unusable. Verification of this event shall be
2450 performed by an agent in charge and conducted in an area with video surveillance.
2451
2452 g) Electronic documentation of destruction and disposal shall be retained and
2453 maintained by the dispensary organization for a period of not less than 5 years.
2454

2455 **Section 1290.290 Dispensary Advertisements**

- 2456
2457 a) No registered dispensary organization shall place or maintain, or cause to be
2458 placed or maintained, an advertisement of cannabis or a cannabis infused product
2459 in any form or through any medium whatsoever:
2460
2461 1) Within one thousand feet of the perimeter of a school grounds,
2462 playground, recreation center or facility, child care center, public park, or
2463 library, or any game arcade admission to which is not restricted to persons
2464 aged twenty-one years or older,
2465
2466 2) On or in a public transit vehicle or public transit shelter, or,
2467
2468 3) On or in a publicly owned or operated property.
2469
2470 b) This Section does not apply to a noncommercial message.

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Section 1290.295 Closure of a Dispensary

If a dispensing organization decides not to renew its registration or decides to close its business, it shall promptly notify the Division, not less than 3 months prior to the effective date of the closing date.

Section 1290.298 Zoning Rules Related to Dispensary

No local municipality or jurisdiction shall seek to impose or impose through zoning ordinances, including by special use permits, conditions or requirements that conflict with the Act or this Part, that concern or address issues or subject matters that are within the regulatory jurisdiction of the Division, or that would otherwise impede or place unreasonable restrictions on the location of dispensaries contrary to the mandate of the Act that dispensing *organizations shall be geographically dispersed throughout the State to allow all registered qualified patients reasonable proximity and access to a dispensing organization.* (Section 115(a) of the Act.)

SUBPART H: DISCIPLINE

Section 1290.300 Investigations

- a) The Division may conduct an investigation for the purpose of investigating an applicant, application, dispensing organization, dispensing organization principal officer, dispensary agent, third party vendor or any other party associated with a dispensing organization for an alleged violation of the Act or this Part or to determine qualifications to be granted a Registration by the Division.
- b) The Division may require an applicant or dispensary organization to produce relevant documents, records or any other material pertinent to the investigation of an application or alleged violations of the Act or this Part. Failure to provide the required material may be grounds for denial or discipline.

Section 1290.310 Grounds for Discipline

- a) The Division may refuse to issue or renew a registration, revoke a registration, suspend a registration, temporarily suspend a registration, place a registration on probation, fine the dispensing organization, or take any disciplinary or non-disciplinary action as the Division may deem proper, including fines not to exceed \$10,000 for each violation, for any one or combination of the following causes:
 - 1) Material misstatement in furnishing information to the Division,

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- 2512
2513 2) Violations of the Act, or this Part,
2514
2515 3) Misrepresentation for the purpose of obtaining a registration,
2516
2517 4) A pattern of conduct which demonstrates incompetence or unfitness,
2518
2519 5) Aiding or assisting another person in violating any provision of the Act or
2520 this Part,
2521
2522 6) Failing, within 30 days, to respond to a written request made by the
2523 Division for information,
2524
2525 7) Engaging in unprofessional, dishonorable, or unethical conduct of a
2526 character likely to deceive, defraud or harm the public,
2527
2528 8) Discipline by another U.S. jurisdiction or foreign nation,
2529
2530 9) A finding by the Division that the registrant, after having his or her
2531 registration placed on suspended or probationary status has violated the
2532 terms of the suspension or probation,
2533
2534 10) Obtaining a registration by fraud or misrepresentation,
2535
2536 11) The applicant or registrant has been convicted in state or federal court of
2537 or entered a plea of guilty, nolo contendere, or the equivalent in a state or
2538 federal court to any crime which is an excluded offence under the Act or
2539 this Part, a felony, or any misdemeanor where an essential element is
2540 dishonesty,
2541
2542 12) Excessive use or addiction to alcohol, narcotics, stimulants or any other
2543 chemical agent or drug,
2544
2545 13) A finding by the Division of a substantial discrepancy in a Division audit
2546 of medical cannabis,
2547
2548 14) A finding by the Division of a substantial discrepancy in a Division audit
2549 of capital or funds,
2550

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- 2551 15) A finding by the Division that the dispensing organization accepted
2552 medical cannabis from a source other than a cultivation center registered
2553 by the Department of Agriculture,
2554
- 2555 16) An inability to operate a dispensary using reasonable judgment, skill, or
2556 safety due to physical or mental illness or other impairment or disability,
2557 including without limitation deterioration through the aging process or
2558 loss of motor skills, or mental incompetence,
2559
- 2560 17) Failing to report to the Division within the timeframes established herein
2561 or if not identified, 30 days, of any adverse final action taken against the
2562 dispensing organization or a dispensing organization agent by a licensing
2563 jurisdiction in any state or any territory of the United States or any foreign
2564 jurisdiction, any governmental agency, any law enforcement agency, or
2565 any court defined in this Section,
2566
- 2567 18) Failing to comply with a subpoena lawfully issued by the Division,
2568
- 2569 19) Failure of a dispensing organization agent to inform the Division within
2570 10 working days of any change of address,
2571
- 2572 20) Disclosing customer names, personal information or protected health
2573 information in violation of any State or federal law,
2574
- 2575 21) Operating a dispensary before obtaining a dispensing organization
2576 registration from the Division,
2577
- 2578 22) Dispensing cannabis to any person other than a qualifying patient with a
2579 valid registry identification card, or a designated caregiver with a valid
2580 registry identification card in accordance with the Act and this Part.
2581
- 2582 23) A principal officer or agent-in-charge failing to report to the Division
2583 when he or she knows or should have known that a dispensing
2584 organization agent was using medical cannabis when the agent does not
2585 have a qualifying patient registry identification card,
2586
- 2587 24) Dispensing cannabis when prohibited by the Act or this Part,
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- 25) Any fact or condition which, if it had existed at the time of the original application for the registration, would have warranted the denial of the registration,
 - 26) Permitting a person without a valid dispensing organization agent registration card to be employed by the dispensing organization,
 - 27) Failure to assign an agent-in-charge to be employed by the dispensing organization as required by this Part,
 - 28) Personnel insufficient in number or unqualified by training or experience to properly operate the dispensary business.
 - 29) Any pattern of activity which causes a deleterious impact on the community.
 - 30) Failing to prevent diversion, theft or loss of medical cannabis.
- b) If the Division determines that a person holds an interest in more than 5 dispensary registrations in violation of this Part, the Division will suspend the registrations of all dispensaries held by that person until the time that the person divests himself or herself from all dispensing organizations that exceed the 5 dispensary organization limit provided for in this Part.
 - c) Notice of a violation issued by the Division under this Section shall include a clear and concise statement of the violations on which the discipline, non-renewal or revocation is based, the statute or rule violated and notice of the opportunity for a hearing.
 - d) If a dispensary organization desires to contest the discipline, non-renewal or revocation of a Registration, the organization shall, within 10 days after receipt of the Notice of a violation, notify the Division in writing of its request for an administrative hearing. Upon receipt of the request the Division shall send notice to the facility and hold a hearing as provided in the Act.
 - e) The effective date of nonrenewal or revocation of a Registration by the Division shall be any of the following:

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- 2627 1) Until otherwise ordered by the circuit court, revocation is effective on the
2628 date set by the Division in the Revocation Notice, or upon final action
2629 after hearing under the Act and this Part, whichever is later,
2630
2631 2) Until otherwise ordered by the circuit court nonrenewal is effective on the
2632 date of expiration of the existing Registration, or upon final action after
2633 hearing under the Act and this Part, whichever is later; however, a
2634 Registration shall not be deemed to have expired if the Division fails to
2635 timely respond to a timely request for renewal under this Act or for a
2636 hearing to contest nonrenewal under paragraph (c) of this Section.
2637
2638 f) All fines imposed under this Section shall be paid within 60 days after the
2639 effective date of the order imposing the fine or as otherwise specified in the order.
2640
2641 g) The entry of an order or judgment by any circuit court establishing that any
2642 person holding a registration under this Act is a person in need of mental health
2643 treatment operates as a suspension of the registration. A registrant may resume his
2644 or her practice upon the entry of an order of the Division that he or she has been
2645 determined to be recovered from mental illness by the court and upon the
2646 Division's recommendation that the registrant be permitted to resume his or her
2647 practice.
2648

2649 **Section 1290.320 Temporary Suspension**

- 2650
2651 a) The Director may temporarily suspend a dispensing organization registration or a
2652 dispensing organization agent registration without a hearing if the Director finds
2653 that public safety or welfare requires emergency action. The Director shall cause
2654 the temporary suspension by issuing a Suspension Notice in connection with the
2655 institution of proceedings for a hearing.
2656
2657 b) If the Director temporarily suspends a dispensing organization registration or a
2658 dispensing organization agent registration without a hearing, the registrant is
2659 entitled to a hearing within 45 days after the Suspension Notice has issued. The
2660 hearing shall be limited to the issue(s) cited in the Suspension Notice, unless all
2661 parties agree.
2662
2663 c) If the Division does not hold a hearing within 45 days after the date the
2664 Suspension Notice was issued, then the suspended registration shall be
2665 automatically reinstated and the suspension vacated.
2666

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- 2667 d) The suspended registrant may seek a continuance of the hearing date, during
2668 which time the suspension remains in effect and the registration shall not be
2669 automatically reinstated in connection with subsection (c) herein.
2670
- 2671 e) Subsequently discovered causes of action discovered by the Division after the
2672 issuance of the Suspension Notice, may be filed as a separate Notice of violation
2673 against the dispensing organization. The Division is not precluded from filing a
2674 separate cause of action against the suspended registrant.
2675

2676 **Section 1290.330 Consent to Administrative Supervision Order**
2677

2678 In appropriate cases, the Division may resolve a complaint against a registrant through the
2679 issuance of a Consent to Administrative Supervision order. A registrant subject to a Consent to
2680 Administrative Supervision order shall be considered by the Division as an active registration in
2681 good standing. This order shall not be reported or considered by the Division to be a discipline of
2682 the registration. The records regarding an investigation and a Consent to Administrative
2683 Supervision order shall be considered confidential and shall not be released by the Division
2684 except as mandated by law. A complainant shall be notified if his or her complaint has been
2685 resolved by a Consent to Administrative Supervision order.
2686

2687 **Section 1290.340 Subpoenas; Oaths; Attendance of Witnesses**
2688

- 2689 a) The Division may subpoena and bring before it any person to take the oral or
2690 written testimony or compel the production of any books, papers, records, or any
2691 other documents that the Director or his or her designee deems relevant or
2692 material to any investigation or hearing conducted by the Division with the same
2693 fees and mileage and in the same manner as prescribed in civil cases in the courts
2694 of this State.
2695
- 2696 b) The Director, the hearing officer, or a certified shorthand court reporter may
2697 administer oaths at any hearing that the Division conducts. Notwithstanding any
2698 other statute or Division rule to the contrary, all requests for testimony,
2699 production of documents, or records shall be in accordance with the Act, Civil
2700 Administrative Code and this Part.
2701

2702 **Section 1290.350 Certification of Record; Receipt**
2703

2704 The Division shall not be required to certify any record to the court, to file an answer in court, or
2705 otherwise to appear in any court in a judicial review proceeding unless and until the Division has
2706 received from the plaintiff payment of the costs of furnishing and certifying the record, which

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2707 costs shall be determined by the Division. Failure on the part of the Plaintiff to file a receipt in
2708 court is grounds for dismissal of the action.

2709

2710 **Section 1290.360 Transcript; Record of Proceedings**

2711

2712 The Division shall preserve a record of all proceedings at the formal hearing of any case. The
2713 notice of hearing, Notice of violation and all other documents in the nature of pleadings and
2714 written motions filed in the proceedings, the transcript of testimony, the report of the hearing
2715 officer, and the orders of the Division shall be the record of the proceedings.

2716

2717 **Section 1290.370 Findings and Recommendations**

2718

2719 a) At the conclusion of the hearing, the hearing officer shall present to the Director a
2720 written report of his or her findings of fact, conclusions of law, and
2721 recommendations. The report shall contain a finding of whether or not the
2722 accused person or entity violated the Act or this Part or failed to comply with the
2723 conditions required in the Act or this Part. The hearing officer shall specify the
2724 nature of any violations or failure to comply and shall make its recommendations
2725 to the Director.

2726

2727 b) The report of findings of fact, conclusions of law, and recommendation of the
2728 hearing officer shall be a basis for the Director's order refusing to issue, restore, or
2729 renew a registration, or otherwise disciplining a registrant. If the Director
2730 disagrees with the recommendations of the hearing officer, the Director may issue
2731 an order in contravention of the hearing officer's recommendations. The finding is
2732 not admissible as evidence against the person in a criminal prosecution brought
2733 for a violation of this Act, but the hearing and finding are not a bar to a criminal
2734 prosecution brought for a violation of this Act.

2735

2736 **Section 1290.380 Rehearing**

2737

2738 a) At the conclusion of the hearing, the registrant shall be served a copy of the
2739 hearing officer's report. Within 20 calendar days after service, the registrant may
2740 present to the Division a motion in writing for a rehearing, which shall specify the
2741 particular grounds for rehearing. The Division may respond to the motion for
2742 rehearing within 20 calendar days after its service on the Division. If no motion
2743 for rehearing is filed, then upon the expiration of the time specified for filing, or if
2744 a motion for rehearing is denied, then upon denial, the Director may enter an
2745 order in accordance with the recommendations of the hearing officer or in
2746 contravention. If the registrant orders from the reporting service and pays for a

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2747 transcript of the record within the time for filing a motion for rehearing, the 20-
2748 day period within which a motion may be filed shall commence upon the delivery
2749 of the transcript to the registrant.

2750
2751 b) If the Director believes that substantial justice has not been done in the
2752 revocation, suspension, or refusal to issue, restore, or renew a registration, or
2753 other discipline or non-discipline of a registrant, he or she may order a rehearing
2754 by the same or other hearing officers.

2755
2756 **Section 1290.390 Restoration of Registration from Discipline**

2757
2758 At any time after the successful completion of a term of indefinite probation, suspension, or
2759 revocation of a registration, the Division may restore the registration to active status, unless, after
2760 an investigation, the Director determines that restoration is not in the public interest. No person
2761 or entity whose dispensary registration has been revoked may apply for restoration of that
2762 registration, until provided for in the Civil Administrative Code of Illinois.

2763
2764 **Section 1290.400 Appointment of a Hearing Officer**

2765
2766 The Director has the authority to appoint any attorney licensed to practice law in the State of
2767 Illinois to serve as the hearing officer in any action for refusal to issue, restore, or renew a
2768 registration or to discipline a registrant. The hearing officer has full authority to conduct the
2769 hearing.

2770
2771 **SUBPART I: GENERAL**

2772
2773 **Section 1290.500 Confidentiality**

2774
2775 a) All information collected by the Division in the course of an examination,
2776 inspection, or investigation of a registrant or applicant, including, but not limited
2777 to, any complaint against a registrant filed with the Division and information
2778 collected to investigate the complaint, security information disclosed in the
2779 application or during a Division inspection, floor plans submitted as part of the
2780 application process, information related to inventory and inventory control
2781 records, and any customer information, shall be maintained for the confidential
2782 use of the Division and shall not be disclosed.

2783
2784 b) The Division may not disclose the information to anyone other than law
2785 enforcement officials, regulatory agencies that have an appropriate regulatory
2786 interest as determined by the Director. Information and documents disclosed to a

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2787 federal, state, county, or local law enforcement agency shall not be disclosed by
2788 the agency for any purpose to any other agency or person. A formal complaint
2789 filed against a registrant by the Division or any order issued by the Division
2790 against a registrant or applicant shall be a public record, except as otherwise
2791 prohibited by law.

2792

2793 **Section 1290.510 Intergovernmental Cooperation**

2794

2795 a) Whenever the Division revokes or suspends a dispensing organization's
2796 registration, it shall notify the ISP and the police department or sheriff's office
2797 whose jurisdiction includes the registrant's dispensing location.

2798

2799 b) If the ISP, any municipality, township, or county, or local law enforcement
2800 agency takes any action relating to the operation of the registrant's dispensing
2801 location, it shall notify the Division of the action taken and the reason for the
2802 action within five days.

2803

2804 **Section 1290.520 Granting Variances**

2805

2806 The Director may grant variances from this Part in individual cases where he/she finds that:

2807

2808 a) The provision from which the variance is granted is not statutorily mandated,

2809

2810 b) No party will be injured by the granting of the variance, and

2811

2812 c) The rule from which the variance is granted would, in the particular case, be
2813 unreasonable or unnecessarily burdensome.